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## NYISO Consumer Interest Liaison Weekly Summary

December 14 – December 18, 2015

### Notices:

- The NYISO is initiating the process to update the 2016 Gold Book and needs the assistance of the NYISO Market Participants.  
To access the notice that describes the requested information, please click on the link below:  
[Notice of Annual Data Requests for NYISO 2016 CSPP](#)
- The Western NY Public Policy Transmission Need FAQ has been updated on the NYISO website. The link to the Public Policy documents is listed below:  
[Public Policy Documents](#)
- The 2016 NYISO Market Training Course Schedule is now posted to the NYISO [website](#). Registration is available now for the March 1st Market Overview and the New York Market Orientation Course (NYMOC) scheduled for March 8th- 11th. Registrations for the remaining 2016 courses will be available shortly.
- In an effort to improve the information available to end-use electricity consumers regarding NYISO's Demand Response Programs, the NYISO has prepared the following two informational documents:  
[NYISO Demand Response Programs - Frequently Asked Questions for Prospective Resources](#)  
[Frequently Asked Questions about requesting DR participation data from the NYISO](#)  
These documents are in the Frequently Asked Questions (FAQs) format and are intended to inform both prospective and existing demand response resources. The documents have been posted on the NYISO's [Demand Response webpage](#) under the General Information folder.
- As discussed at the December 18, 2015 Management Committee meeting, the DPS presentation "[New York State Resource Planning Analysis](#)" has been rescheduled to the January 27 Management Committee meeting. Please send any additional comments to [bullock@nyiso.com](mailto:bullock@nyiso.com) by January 8.

### Meeting Summaries:

**Monday, December 14, 2015**

**Market Issues Working Group**

Comprehensive Shortage Pricing Document Updates



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Ethan Avallone of the NYISO presented proposed updates to documentation that is required to ensure that the manuals reflect the implementation of Comprehensive Shortage Pricing. The manuals requiring updates include:

- Ancillary Services Manual
- Day-Ahead Scheduling (DAS) Manual
- Transmission and Dispatching Operations (T&D Ops) Manual

Mr. Avallone detailed the proposed changes for each manual. One proposed change in each manual was to remove the demand curves table and instead provide a link to the new NYISO Demand Curves posting on the NYISO's website. This would eliminate the need to duplicate updates of the tables in both the manual and website. Stakeholders objected to the elimination of the table in the manuals and requested that the NYISO continue to include it in the manuals. The stakeholders explained that having the table in the manual is a convenience when working off line with the manuals. The NYISO agreed to this request. The Market Participant User's Guide was also updated to include SENY as a reserve region. To see the specific changes as presented by Mr. Avallone, please go to:

[http://www.nyiso.com/public/committees/documents.jsp?com=bic\\_miwg&directory=2015-12-14](http://www.nyiso.com/public/committees/documents.jsp?com=bic_miwg&directory=2015-12-14)

#### Broader Regional Markets Metrics

Dave Edelson of the NYISO presented metrics for the Broader Regional Markets initiative for the month of November 2015. To see Mr. Edelson's presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_miwg/meeting\\_materials/2015-12-14/Monthly%20Report%20-%202015\\_11\\_FINAL.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2015-12-14/Monthly%20Report%20-%202015_11_FINAL.pdf)

#### Wednesday, December 16, 2015

##### **Installed Capacity Working Group**

##### External CRIS Rights Proposal for Non-UDR Transmission Expansion

Bob Logan of the NYISO presented potential options for the proposal to allow Developers to apply for External CRIS Rights for Non-UDR transmission expansion. Currently, Developers that increase external interface capacity are not guaranteed External CRIS Rights for the additional transfer capability created by the expansion. A Market Design Concept Proposal was prioritized as part of the 2015 Project Budget and HQUS has requested that the NYISO pursue a tariff change that would allow an entity to request External CRIS Rights tied to incremental, non-UDR transmission upgrades that increase the external interface's capabilities. The HQUS request would apply to all NYISO external AC interfaces that interconnect into Rest of State (ROS).

The NYISO is investigating three proposed options to accomplish this.

Option One is to make no changes to the tariff and to change the ICAP Manual. This option would leave the risk that the Developer would need to compete on a "first come, first served" basis for the incremental capacity created by the transmission expansion project. There is also a risk that the increased transfer capability created by the transmission expansion project would be modeled as Emergency Assistance in the IRM Study and could not be available as import rights or External CRIS Rights.

Option Two would be to link the incremental transfer capability to the External CRIS Rights request in the Class Year Deliverability Study. This would require changes to Attachment S of the OATT tariff.



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Mr. Logan discussed the necessary changes with stakeholders and noted stakeholder comments for internal discussion and development.

The third option, Option Three would be to develop a “UDR-like” model to permit the incremental Capacity to sink in Rest of State instead of a Locality. This would be studied in the Class Year process and include an annual election.

Mr. Logan noted that all of the options proposed would include significant and complicated software changes. Stakeholders requested that the NYISO come to a future ICAP WG and provide more detailed information on what the software changes would consist of for each option. Comments are encouraged by the NYISO and can be sent to [deckles@nyiso.com](mailto:deckles@nyiso.com). To see Mr. Logan’s presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_materials/2015-12-16/External%20CRIS%20Rights%20presentation%20121615.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2015-12-16/External%20CRIS%20Rights%20presentation%20121615.pdf)

#### NYISO ICAP 2015/16 Demand Curve Reset

Paul Hibbard and Todd Schatzki of Analysis Group presented the approach to addressing the Demand Curve Reset (DCR) process and the issues surrounding the establishment of Net Cost of New Entry (CONE). Mr. Hibbard explained the pros and cons of the methods available for establishing estimates for Energy and Ancillary Service (E&AS) revenues:

- *Historical Prices*
- *Comparables (Historical Margins)*
- *Econometric Approach*

Attributes such as data availability, accuracy and transparency were discussed with stakeholders. Mr. Hibbard noted that the yet to be decided length of DCR period would have an impact on which methodology to utilize. In reference to the concept of extending the length of the DCR period, the tradeoffs of varying methods to update DCR values were discussed with stakeholders. Proposed concepts included:

- *Fixed inflation adjustment*
- *Floating inflation adjustment*
- *Market-based E&AS adjustment (relating to futures pricing, updated market prices, etc.)*

The NYISO and Analysis Group are encouraging comments from stakeholders as the DCR process progresses. To see the Analysis Group presentation, please go to:

[http://www.nyiso.com/public/committees/documents.jsp?com=bic\\_icapwg&directory=2015-12-16](http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg&directory=2015-12-16)

#### Installed Capacity Demand Curves

Debra Richert, William Frazier and Tom Vivenzio of Lummus Consultants International presented the guidelines to be used for the determination of the Proxy Unit representation in the Demand Curve Reset (DCR) process. Ms. Richert highlighted the topics to be considered in the process:

1. *Tariff Requirements*
2. *Zones and Localities*
3. *Technology Screening Criteria*
4. *Peaking Technology Options*
5. *Combined Cycle Technology Options*

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*6. Unit Assumptions*

*7. Environmental Requirements*

Ms. Richert led a review of highlighted tariff language that will be used to determine the type of generators that will be investigated for suitability in representing the Proxy Unit.

The zones and localities were presented for the purpose of highlighting the differing requirements throughout the state in terms of cost and environmental regulations.

Mr. Vivenzio presented the technology screening which filters out generator technologies that do not qualify as a Proxy Unit for the DCR process. Technologies that do not have the required characteristics include, among others:

- *Intermittent resources*
- *Dispatchable renewable resources*
- *Energy storage*
- *Nuclear and Coal Fired resources*

Mr. Vivenzio presented the generation technologies that can potentially meet all requirements and listed the models currently available by technology and manufacturer. Technologies that will be investigated include:

- *Aeroderivative Combustion Turbines*
- *Advanced Frame Technology*
- *Reciprocating Internal Combustion Engines*

Examples of the various technologies were presented, including efficiencies and basic pros and cons.

Mr. Vivenzio explained that Combined Cycle units would be included in the report for informational purposes only as the technology does not meet the tariff requirements of a peaking unit.

Mr. Frazier presented the environmental permitting considerations that will enter into the Proxy Unit selections for the different regions within the state. Issues including air emissions, water use consideration and noise mitigation were presented and described in detail and related to the available technologies.

Stakeholders offered initial comments and questions concerning the process, such as:

- Consideration of the inclusion of New York State public policy considerations
- Request for a report on developing battery technologies that may meet future peaking unit requirements
- The increasing frequency of peaking unit dispatch as the intermittent generation supply resources gain market share

The representatives from Lummus Consultants International encouraged comments and questions and provided contact information to stakeholders. To see the complete presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_materials/2015-12-16/Lummus%20DCR%2012162015%20ICAPWG.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2015-12-16/Lummus%20DCR%2012162015%20ICAPWG.pdf)

**Thursday, December 17, 2015**

**Management Committee**

**Motion #1:**

The Management Committee (MC) approves the October 28, 2015 meeting minutes.

**The motion passed unanimously by show of hands**



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### **Motion #2:**

The Management Committee (MC) hereby approved the revisions to the Market Administration and Control Area Services Tariff and Open Access Transmission Tariff as described in the tariff revisions accompanying the presentation entitled “Behind-the-Meter Net Generation Initiative,” made at the December 17, 2015 MC meeting, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

**The motion passed by majority show of hands with abstentions**

### **Thursday, December 17, 2015**

#### **CARIS Forum**

##### Congestion Assessment and Resource Integration Study

Henry Chao of the NYISO presented the Congestion Assessment and Resource Integration Study (CARIS). CARIS is a congestion mitigation process to improve transmission system efficiency with cost allocation/recovery through the NYISO Tariff. The process identifies congestion on the New York State bulk power system. The study then demonstrates benefit/cost calculation of congestion mitigation solutions on a generic basis for transmission, generation, demand response and energy efficiency, and provides the studies to developers for potential solution development. Nine scenarios were developed and analyzed. The three elements studied for 2015, based on the largest potential reduction in production costs, are:

- Central East – New Scotland – Pleasant Valley
- Central East
- Western NY 230kV System

With this portion of the CARIS process completed, the NYISO will now prepare the model and database for specific project evaluations and studies such as:

- *Perform Additional CARIS Studies upon request*
- *Perform Project-Specific CARIS Phase 2 studies for NYISO tariff-based cost recovery*

An appendix was supplied to provide additional data on the process and results. The 2015 CARIS will be presented to the NYISO Board for approval and posted on the NYISO website. Following approval by the Board, the CARIS Phase 2 will be initiated and the NYISO will analyze specific transmission projects, as requested. To see Mr. Chao’s presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_espwg/meeting\\_materials/2015-12-17/CARIS\\_Report\\_Public\\_Forum\\_12-17-15.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2015-12-17/CARIS_Report_Public_Forum_12-17-15.pdf)

### **Friday, December 18, 2015**

#### **Load Forecasting Task Force**

##### Final Update of 2015 Weather Normalized Peaks/ Final 2016 ICAP Forecast

Arthur Maniaci of the NYISO presented the final values for the 2016 ICAP Forecast. Mr. Maniaci highlighted several minor revisions to the preliminary numbers and listed the following forecast values:

- NYCA                      33,359 MW
- G-J                         16,309 MW



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- J 11,793.5 MW
- K 5,472.5 MW

During review of the result, it was noted that a 6 MW downward adjustment to the O&R 2015 weather normalized peak from 1,151 to 1,145 MW was inadvertently omitted. As a result, there will be a correction to the NYCA Coincident Peak and the G-to-J Locality peak, as well as the O&R peak. New tables with the corrected values will be prepared and sent to the Load Forecasting Task Force. The final 2016 ICAP Forecast values will be used in the calculation of Capacity requirements through 2016. To see the presentation by Mr. Maniaci, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg\\_lftf/meeting\\_materials/2015-12-18/2015%20Final%20Weather%20Adjusted%20Loads%20V1.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg_lftf/meeting_materials/2015-12-18/2015%20Final%20Weather%20Adjusted%20Loads%20V1.pdf)

## **FERC Filings**

### **December 18, 2015**

NYISO filing of its Annual Installed Capacity Report on the NYISO's Capacity Market

### **December 18, 2015**

NYISO filing of a letter to FERC regarding a need determination for certain Huntley units confirming that such units are not needed to meet local reliability planning criteria and that NYISO will not enter into a RMR Agreement with Huntley (ER16-81-000)

### **December 16, 2015**

NYISO filing of response required by November 16, 2015 FERC letter/data request re: 6/17/15 Compliance Report -- Adoption of buyer-side mitigation rules for rest-of-state and associated impacts of repowering agreements

### **December 14, 2015**

NYISO filing of an answer to the IPPNY request that the filing deadline for the renewable exemption be stayed

## **FERC Orders**

### **December 16, 2015**

FERC notice granting NYISO's December 7, 2015 request for an extension of time to submit its compliance filing implementing a self-supply and renewable resource exemption to the buyer-side market power mitigation rules

### **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)