



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

NYISO Consumer Interest Liaison Weekly

June 8 – June 12, 2015

Notices:

- *The 2015 Spring Economic Conference will be held at the NPCC offices in New York City on June 22 from 11:00 AM until 2:00 PM. For those unable to attend in-person, a NYISO WebEx/teleconference option will be available. Representatives from Moody's Analytics will present the National Economic Outlook and the NY State Economic Outlook. After these presentations, the Load Forecasting Task Force will meet to discuss current and upcoming activities.*

Meeting Summaries:

Tuesday, June 9, 2015

Market Issues Working Group

Broader Regional Market Metrics

Tara Fisher of the NYISO presented metrics for the Broader Regional Markets initiative for the month of May 2015. To see Ms. Fisher's presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2015-06-09/Monthly%20Report%20-May%202015.pdf

FERC Order 809 Update

Mike DeSocio of the NYISO presented an update on FERC Order 809 that seeks to coordinate the scheduling processes of interstate natural gas pipelines and public utilities. Mr. DeSocio informed stakeholders that the NYISO does not intend to propose modification to its Day-Ahead Market timing and offered the following information regarding ISO/RTOs:

- PJM is holding discussions with stakeholders in reference to potentially moving the time of its Day Ahead Market posting
- ISO-NE is not planning to move its Day Ahead Market posting
- MISO is investigating the need to move the time of their Day Ahead Market posting

The NYISO has determined its Day-Ahead Market timing continues to align with the new gas nomination windows. The NYISO will continue to monitor changes in the other ISO/RTO's day ahead markets to determine whether potential electric market seams could be created.



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

Separately, the NYISO discussed a study on the merits and efficiency improvement of shifting the Day-Ahead Market optimization window. Stakeholders cautioned that changes to the market day hours may have an adverse affect on market participants bidding and data retrieval programs. Although the NYISO is not advocating for change in the Day-Ahead Market optimization window, it will present the study findings to FERC at the end of June 2015 and have a more detailed stakeholder discussion at the July 8th MIWG.

Comprehensive Scarcity Pricing

Ethan Avallone presented further on the benefits expected with the implementation of Comprehensive Scarcity Pricing and provided detailed examples including the impact of the proposal on:

- LI reserve limitation
- LI reserve procurement
- LI reserve clearing prices

Examples were presented to provide clarity regarding an SCR/EDRP activation including multiple zones and for SCR/EDRP activations including only Long Island. Mr. Avallone led a brief discussion with stakeholders on the tariff language that will be required with this implementation. To see the complete presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2015-06-09/agenda%204%20Comprehensive%20Scarcity%20Pricing%20June%209%20MIWG%20FINAL%20\(2\).pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2015-06-09/agenda%204%20Comprehensive%20Scarcity%20Pricing%20June%209%20MIWG%20FINAL%20(2).pdf)

Ramping Constraints and Scarcity Pricing

Michael Cadwalader of Atlantic Economics presented an alternative solution to the NYISO Comprehensive Scarcity Pricing proposal. Mr. Cadwalader summarized the basic mechanisms of the NYISO proposal and presented his opinion that the NYISO proposal does not produce the most efficient dispatch. An alternative solution to the NYISO proposal was detailed and examples were provided. The NYISO agreed to review and discuss the presentation internally and will respond to the alternative proposal at a future MIWG meeting.

Changes to the Reference Level Manual & MST Attachment H

Giacinto Pascazio of the NYISO presented changes to the Reference Level Manual and the Market Services Tariff Attachment H. The revisions were made to provide clarity to stakeholders on the process and inputs used to determine reference levels. Mr. Pascazio presented redline versions of the documents for discussion with stakeholders. The changes to the manual include:

- 6.3.1: Documentation Needed to Assert Higher Fuel Commodity Cost
- 6.3.2 : Bidding, fuel procurement and reference updates in the presence of gas balancing costs or Operational Flow Orders
- 6.3.3: MMA Evaluation of Gas-fired Generators' Fuel Cost Updates



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

- 6.3.4: Gas Procurement Costs for Generators Committed to Meet Reliability Needs

The changes proposed for Attachment H of the tariff include:

- 23.3.1.1.2 – Physical Withholding
 - *Generator bidding during periods of unauthorized gas use*
- 23.3.1.4.6 – Reference level calculations
 - *NYISO use of best fuel cost information*
 - *Reflecting Fuel Costs in Reference Level*
- 23.3.3.3.2.1.3 – Revising Certain Reference Levels
 - Revised description of gas balancing charges
- 23.4.2.2.1 – Default Bid Implementation
 - Market Party to use default bid
- 23.4.3.3.3 – Fuel Cost Adjustment Mitigation Measure
 - Conduct and Impact Test
 - GP Impact test for reliability units

The proposed revisions will be presented to the July 15, 2015 BIC for governance approval. To see the complete presentation, please go to:

http://www.nyiso.com/public/committees/documents.jsp?com=bic_miwg&directory=2015-06-09

Wednesday, June 10, 2015

Business Issues Committee

Motion 1:

Motion to approve the Minutes of the May 13, 2015 meeting

Motion passed unanimously

Motion 2:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s OATT, Services Tariff, and Coordination Agreement with ISO-NE as more fully described in the “CTS with ISO-NE Tariff Revisions” presentation made to the BIC on June 10, 2015.

Motion amended as below

Motion 2a:

Motion to amend motion #2 as follows:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s OATT, Services Tariff, and Coordination Agreement with ISO-NE as more fully described in the “CTS with ISO-NE Tariff Revisions” presentation made to the BIC on June 10, 2015 and further the Business Issues Committee (BIC) hereby requests that the NYISO perform an evaluation and prepare an informational report after one year of experience with CTS with ISO-NE, or earlier as conditions require, that will (1) evaluate the impact of ISO-NE Reliability Limits on the efficiency of CTS pricing and dispatch and; (2) report the instances and amount to which Congestion Rents are not shared equally between the ISOs and in those



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

instances whether Reliability Limits were invoked and if so by which ISO and to which party the Congestion Rents were paid.

Motion passed unanimously with abstentions

Wednesday, June 10, 2015

Installed Capacity Working Group

NYISO Study on ROS BSM and Uneconomic Retention/Repowering

Lorenzo Seirup of the NYISO presented the results of the NYISO study on Rest-of-State (ROS) Buyer-side Mitigation (BSM) and uneconomic retention/repowering. The study is a result of a March 19, 2015 FERC Order directing the NYISO to establish, and report on a stakeholder process to address the subject of ROS BSM. The NYISO's report to the FERC is due June 17, 2015. As a follow-up to prior presentations at ICAP working groups in April and May Mr. Seirup presented additional findings from the study including:

- *ROS capacity obligations of Transmission Owners' distribution company customers*
- *The elasticity of ROS supply and the longevity of price fluctuations*
 - *Interregional liquidity and elasticity – reconfiguration auction detail*
 - *The elasticity of internal supply*
- *The value of subsidized, uneconomic new entry to an LSE in ROS*
 - *Overview of assumptions and methodology*
 - *Net present value (NPV) of a subsidized new entrant*
- *Repowering & uneconomic retention*
 - *Repowering pursuant to “agreements similar to Dunkirk’s”*

The NYISO's study indicated that a reasonable entity would assume a limited horizon for benefits stemming from price suppression. Mr. Seirup described the assumptions used to determine the net present value (NPV) calculation used to explore the potential for subsidized new entry in ROS to be used as a vehicle to suppress prices. The NYISO concluded that the analysis suggests that in current market conditions, subsidized new entry does not pose a credible buyer-side market power concern in ROS. NPVs calculated considering the cost savings from price suppression as cash flows do not suggest that this is a sound financial strategy.

Stakeholders discussed the NYISO's assumptions and some questioned the conclusions of the study. In discussion with stakeholders on repowering and uneconomic retention, Mr. Seirup stated that the NYISO preliminary analysis shows that there may be reason for concern about the potential market effect of repowering pursuant to “agreements similar to Dunkirk’s” but the NYISO believes that these concerns should be addressed through the RMR tariff process and rules the NYISO is developing in compliance with FERC's RMR Order. The NYISO will meet the June 17, 2015 compliance filing, and intends to include a discussion of the analysis to date and the outcome of stakeholder discussions, including the June 10, 2015 meeting. To see Mr. Seirup's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2015-06-10/ROS%20Mitigation%20Study%203.pdf



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

Demand Curve Reset Schedule and RFP

David Allen of the NYISO presented the updated request for proposal (RFP) for the Demand Curve Reset (DCR) process. Mr. Allen highlighted additional language in the proposal that has been updated from the original presentation at the May 28, 2015 ICAP WG meeting.

Stakeholders requested that a redline version be posted with the meeting materials for clarity of all updates. It was noted by a stakeholder that Shortage revenue should be separately identified in the RFP to assure its effect on Net Cone is calculated. Mr. Allen noted that the NYISO has specifically identified the need to improve the projection of the likely energy and ancillary services revenues of the proposed DCR proxy plant. The NYISO anticipates sending the RFP out on July 10, 2015 and finalizing a contract with a consultant on September 23, 2015. To see the 2015 and 2016 DCR schedule and associated documents as presented by Mr. Allen, please go to: http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg&directory=2015-06-10

Thursday, June 11, 2015

Motion #1

The Operating Committee (OC) hereby approves the Outage Scheduling Manual updates as presented and discussed at the June 11, 2015 OC meeting

The motion passed unanimously by show of hands

Motion #2a:

The Operating Committee (OC) hereby approves the Q#424 Leeds Path West System Reliability Impact Study Scope as presented and discussed at the June 11, 2015 OC meeting.

The motion passed unanimously by show of hands with an abstention

Motion #2b:

The Operating Committee (OC) hereby approves the Q#490 Marcy South Series Compensation SPS System Impact Study Scope as presented and revised at the June 11, 2015 OC meeting.

The motion passed unanimously by show of hands with an abstention

FERC Filings

June 12, 2015

Compliance filing, filed on behalf on National Grid, of revisions to the Wholesale TSC Formula Rate of National Grid under the NYISO OATT to implement a settlement agreement

June 10, 2015

NYISO filing of executed LGIA among NYISO, NYPA and CPV Valley, SA No. 2214.

June 10, 2015

NYISO e-filing of a document-less motion to intervene in Docket No. EL15-67-000

FERC Orders



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

There were no FERC Orders issued to NYISO for this week.

Link to FERC Filings and Orders:

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