



*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

**May 25 – May 29, 2015**

### ***Notices:***

- *The June 5, 2015 BPWG meeting has been changed from a teleconference to an in-person meeting at the NYISO Krey Corporate Center. Please note the start time will be 10:15.*
- *As discussed at the May 18 ICAPWG meeting, an additional ICAPWG meeting has been scheduled for June 10, following the BIC meeting.*
- *On June 10, 2015, FERC staff will lead a technical conference that will include the North American Energy Standards Board (NAESB) and interested members of the public and industry to discuss the transition to a new submission format for certain forms required by the Commission, and NAESB's assistance in that process.*

### **Meeting Summaries:**

**Wednesday, May 27, 2015**

**Management Committee**

#### **Motion #1:**

The Management Committee (MC) approves the April 2014 meeting minutes.

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

#### **Motion #2:**

The Management Committee (MC) hereby recommends that the NYISO Board of Directors approve the NYISO 2014 Comprehensive Reliability Plan (CRP) as presented and discussed at the May 27, 2015 MC meeting.

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

**Wednesday, May 27, 2015**

**Budget Priorities Working Group**

**2015 Project Schedule Milestone Update**

Robb Pike of the NYISO presented an update to the 2015 project schedule. Mr. Pike listed and led a discussion on the recent orders FERC has issued to the NYISO that must be complied with during the second quarter of 2015. The FERC Orders include:



**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**

- BSM Competitive Entry Exemptions
- RMR Tariff Provisions
- Zone K Export Constraint
- Consider BSM Rules in ROS
- Repowering and Uneconomic Retention
- SCR BSM Determinations
- Outage States

The NYISO also discussed with stakeholders the LCR Task Force and the NYPA/PSC/NYSERDA Complaint to FERC. Mr. Pike explained that with the amount of resources that will be required to meet FERC compliance, the NYISO must reprioritize some 2015 project schedules. Projects were presented in three categories of schedule revision; delayed, reprioritized and cancelled. The delayed project commitments have been moved back to the next quarter for:

- *External CRIS Rights for Non-UDR Transmission Expansion Q3 – Q4*
- *Behind the Meter: Net Generation Model Q2 – Q3*
- *Enhanced Forecasts for Buyer Side Mitigation Q3 – Q4*

The reprioritized project schedules have been incorporated into the 2016 project schedule and include:

- *Winter DMNC Temperature Adjustments*
- *Fuel Assurance: Capacity Market Concepts*

The project to change SCR performance obligation from 4-6 hours has been cancelled as a project for the foreseeable future.

Mr. Pike explained the rationale and led a stakeholder discussion on the selection of which projects would be reprioritized to allow the NYISO to commit the resources required to meet the FERC requirements.

Ryan Smith continued the presentation with the status of 2015 NYISO project schedule milestones. Mr. Smith updated all NYISO projects by product category. To see the complete presentation as presented by Mr. Pike and Mr. Smith, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/mc\\_bpwg/meeting\\_materials/2015-05-27/Agenda%20\\_2015%20Project%20Schedule%20Update.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/mc_bpwg/meeting_materials/2015-05-27/Agenda%20_2015%20Project%20Schedule%20Update.pdf)

### 2016 Project Prioritization and Budgeting Process

Ryan Smith of the NYISO presented the project prioritization process and list of project candidates for 2016. Mr. Smith presented a review of the project prioritization process timeline for the budgeting process. Mr. Smith also introduced a timeline looking out over the next three years to illustrate that there are several strategic initiatives and FERC Orders that would be developed in parallel to the NYISO project schedule through 2018. Requirements throughout 2016 include:

- NERC CIP v5 Transition
- Demand Curve Reset
- Regulated Transmission Cost Recovery Phase 2
- FERC Funded Rerun Phase 4



**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**

- NAESB Public Key Infrastructure (into 2017)

Longer range initiatives over the three year span include the wholesale market alignment with the NY PSC REV proceeding, continuing Gas/Electric coordination and upgrading the NYISO EMS/BMS system. With this in mind, Mr. Smith proceeded to present the project candidates for 2016 by product area. The discussion in the May 27, 2015 BPWG was primarily intended to introduce the project candidates and clarify the potential project descriptions. The BPWG on June 5, 2015 will be an opportunity for market participants to advocate for projects they feel are valuable to the market and should be scheduled for 2016. The June 5 meeting has been changed from a teleconference to an in person meeting. In an effort to provide a stronger stakeholder voice to the project selection process, stakeholders will have the opportunity to assign portions of a voting allotment to specific projects beginning on June 10, 2015 when scoring surveys are distributed. Project scoring and feedback will be presented at the July 13, 2015 BPWG. To see Mr. Smith's presentation, including the list of 2016 project candidates with descriptions, please go to:

[http://www.nyiso.com/public/committees/documents.jsp?com=mc\\_bpwg&directory=2015-05-27](http://www.nyiso.com/public/committees/documents.jsp?com=mc_bpwg&directory=2015-05-27)

**NOTE:** Due to the length of discussion on the project prioritization issues addressed above, the 2015 Budget vs Actual and the Process Improvements in the Communication of Consumer Impact Analyses presentations were not delivered at this meeting.

### **Thursday, May 28, 2015**

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

##### **BTM:NG Potential MWs for CRIS**

Branka Brlosic-Nirenberg of the NYISO presented the results of the NYISO effort to determine the volume of MWs that could potentially be subject to existing and proposed grandfathering rules to acquire CRIS and qualify for the BTM:NG program. The NYISO surveyed Transmission Owners and examined available databases (US DOE CHP, NYSEDA, DRIS) in an effort to estimate the potential BTM:NG that could be grandfathered under the NYISO proposal. The NYISO determined a total gross amount of 238 MWs of potential BTM:NG resources. When netted against the onsite load the BTM:NG resource serves, there is a net potential of 108 MWs. There is an additional 160 MWs of existing generation that could be eligible for the current or proposed grandfathering rules to acquire CRIS and qualify for the BTM:NG program, but there was no available information to determine the load associated with these resources or the net excess generation above their host load. Several suggestions were offered to the NYISO as to how to determine the net excess generation of these resources and the NYISO will continue the effort to produce a complete estimate of the potential MWs. Ms. Brlosic-Nirenberg explained the current and proposed grandfather rule that would be used to assign CRIS to eligible resources. When asked by a stakeholder what date would be used as a cutoff date for the proposed grandfather rule, the NYISO explained that the date would be determined through discussion with stakeholders at a later date. The NYISO is confident that the proposed CRIS rule is appropriate and Ms. Brlosic-Nirenberg explained that recent Class Year and Demand Curve Reset deliverability studies' results have demonstrated that there is adequate headroom available on the system, and the addition of the potential BTM:NG resources



**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**

determined by the NYISO would not significantly impact the available headroom. To see Ms. Brlosic-Nirenberg's presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_materials/2015-05-28/agenda%20%20Potential%20MW%20for%20CRIS\\_ICAPWG%205-28-15.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2015-05-28/agenda%20%20Potential%20MW%20for%20CRIS_ICAPWG%205-28-15.pdf)

#### Update to the Proposed DR Backstop

Stacia Wilcox of the NYISO presented an update to the proposed backstop design concept for the Demand Response (DR) market. Ms. Wilcox explained that Certiorari of the FERC's petition in FERC v. EPSA was granted by the Court, and the topics to be heard. The Court is expected to take up the case in the Fall of 2015, but no date for the hearing has been set at this time. Ms. Wilcox clarified how an LSE may offset its Unforced Capacity Obligation with a Capacity Requirement Offset as detailed in the proposed Section 5.11.5 of the tariff. Following the effective date of the proposed Section 5.11.5, all SCR program obligations, including reporting, performance, and shortfalls, will remain in place. In regard to participation in NYISO governance, it was explained that upon the effective date of the Capacity Requirement Offset Program, RIPs will no longer be "suppliers" of capacity, and will not be able to participate in the "Other Suppliers" sector, but Responsible Enrolling Parties ("REPs" – the successor to RIPs) may become an authorized representative of their End-Use Customers and participate in the "End- Use" sector. The NYISO will continue to administer the NYISO DR programs per the current tariff and program rules. The question of how the DR participant's Schedule One charges will be assessed was raised and the NYISO committed to returning to a future working group meeting with a determination. The NYISO will continue to monitor the Supreme Court for hearing and outcome of FERC v. EPSA and will hold all proposed tariff revisions and implementation plans for the Capacity Requirement Offset Program until direction is provided by FERC. To see the complete presentation by Ms. Wilcox, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_materials/2015-05-28/agenda%203%20Update%20to%20the%20Proposed%20DR%20Backstop\\_ICAPWG\\_052815\\_FINAL.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2015-05-28/agenda%203%20Update%20to%20the%20Proposed%20DR%20Backstop_ICAPWG_052815_FINAL.pdf)

#### Buyer-side Mitigation Examination of New Special Case Resources and Updated Information and Examples

Bob Logan of the NYISO presented an overview of FERC's March 19, 2015 order changing one input in the NYISO's Tariff rule for buyer-side mitigation ("BSM") evaluation for new SCRs in NYC. The NYISO has reviewed its evaluation process and the methodology used in its BSM evaluation and has identified some enhancements. Mr. Logan led a review of the submission requirements of a RIP and the importance of timeliness of the submission. Updated numerical examples of the BSM examination were provided for additional clarity. To see Mr. Logan's complete presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_materials/2015-05-28/agenda%204%20revised%20SCRs%20ICAPWG%2052815%20V3.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2015-05-28/agenda%204%20revised%20SCRs%20ICAPWG%2052815%20V3.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**

### 2015 and 2016 Demand Curve Reset Schedule

Dave Allen of the NYISO presented the schedule for the 2015 and 2016 Demand Curve Reset (DCR) process. Mr. Allen detailed the steps required to award a contract to the consultant that will develop the proposed DCR principles and framework. In Mid-October 2015, the Independent Consultant will present the proposed DCR principles and framework for stakeholder review and comment. The Independent Consultant will also provide materials to assist in the evaluation of the length of the DCR periodicity for three, four or five years. Mr. Allen explained that the decision to lengthen the periodicity would be addressed as a separate issue prior to the DCR determination. A decision on a change to the DCR periodicity is expected to be recommended and, if necessary filed with FERC, in March 2016. Several milestones for the DCR process were detailed in the timeline with a FERC filing of the ICAP Demand Curves anticipated in November 2016. To see the timeline as presented by Mr. Allen, please go to: [http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_materials/2015-05-28/agenda%205%202015%20and%202016%20Demand%20Curve%20Reset%20Schedule\\_tbp%205-21-2015.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2015-05-28/agenda%205%202015%20and%202016%20Demand%20Curve%20Reset%20Schedule_tbp%205-21-2015.pdf)

### 2014 State of the Market Report for the NYISO Markets: Capacity Market Highlights & Recommendations

Pallas LeeVanSchaick of Potomac Economics (MMU) presented the Capacity Market highlights and recommendations contained in the 2014 State of the Market report. Mr. LeeVanSchaick provided a review and analysis of the NYISO Capacity market for 2014. The MMU presented the five Capacity market recommendations for stakeholder discussion:

1. *Implement location-based marginal cost pricing of capacity that minimizes the cost of satisfying planning reliability criteria.*
2. *Grant financial capacity transfer rights between zones when investors upgrade the transmission system and help satisfy planning reliability needs.*
3. *Pre-define inter-zonal interfaces or zones that address potential reliability needs and/or deliverability constraints to allow prices to accurately reflect the locational value of capacity.*
4. *Enhance buyer-side mitigation measures to deter uneconomic entry while ensuring that economic entrants are not mitigated.*
  - a. *Reform Offer Floor for mitigated projects.*
  - b. *Modify treatment of units being replaced, mothballed, and retired in forecasts of ICAP prices and net revenues.*
5. *Evaluate the need to expand buyer-side mitigation measures to address other actions that can suppress capacity prices.*

Mr. LeeVanSchaick explained that the MMU would return to a future committee meeting for a complete review of the 2014 State of the Market report. Comments to be addressed by the MMU can be sent to [deckles@nyiso.com](mailto:deckles@nyiso.com) until June 25, 2015. To see the presentation by Mr.

LeeVanSchaick, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_mat](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_mat)



***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***

[erials/2015-05-28/agenda%206%20NYISO%202014%20SOM%20Report-Presentation%205-22-14%20for%20ICAPWG.pdf](https://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg&directory=2015-05-22-14%20for%20ICAPWG.pdf)

#### Mothball/Outage States Compliance Filing

Emilie Nelson of the NYISO presented tariff language for the June 1, 2015 Mothball/Outage States Compliance Filing with FERC in reference to the April 30, 2015 Order conditionally accepting in part and rejecting in part proposed tariff changes and directing a compliance filing. Ms. Nelson led a review of the tariff language by providing redline versions of the affect OATT and MST sections while noting stakeholder comments for consideration. To see the redline tariff sections as presented by Ms. Nelson, please go to:

[http://www.nyiso.com/public/committees/documents.jsp?com=bic\\_icapwg&directory=2015-05-28](http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg&directory=2015-05-28)

### **FERC Filings**

June 1, 2015

NYISO compliance filing re: semi-annual reports on new generation projects and demand response programs in the New York Control Area

### **FERC Orders**

There were no FERC Orders to the NYISO for the week.

#### **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)