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NYISO Consumer Interest Liaison Weekly Summary

November 30 – December 4, 2015

Notices:

- Please note, the December 7, 2015 LFTF Teleconference has been rescheduled to December 10 from 1:00 - 3:00.
- The December 10 LFTF teleconference meeting will be held from 2:30 - 4:30, please note the change on your calendar.
- The December 4, 2015 MIWG meeting has been rescheduled for Monday, December 14. Please note, the meeting will be held via teleconference only.
- The [Redline](#) and [Clean](#) versions of the Installed Capacity Manual (M-04) have been posted to the [NYISO Manuals & Guides webpage](#) under the 'Manuals>Under Review' folder. The proposed revisions were discussed at the 11/19/15 ICAP Working Group in anticipation for the upcoming 12/9/15 BIC meeting
- The NYISO would like to thank committee members for their participation in the NYISO shared governance process throughout 2015. As you look ahead to next year, please be aware that the 2016 NYISO Committee Meeting dates have been posted on the [NYISO Committee Calendar](#) and are available for you to view and/or synchronize with your calendar.
In addition, the NYISO has posted a [summary](#) of key 2016 committee meeting dates
- The Board Selection Subcommittee has selected the firm of Heidrick & Struggles to provide candidates to fill the upcoming Board vacancy. Market Participants who would like to submit candidates should send them to their specific Board Selection Subcommittee (BSSC) Sector representatives prior to but no later than January 15, 2016. To submit a candidate, please fill out the [Candidate Recommendation Form](#) and email to your sector specific BSSC representatives. Please be sure to put "NYISO Search" in the subject line of the email. Also, posted are the [Attributes for NYISO Director](#) which were developed by the NYISO Board.
- The NYISO has received a number of clarifying questions in regard to the Western New York Public Policy Transmission Need since issuing the solicitation for solutions on November 1. The NYISO has summarized the questions and corresponding answers in a frequently-asked-questions (FAQ) document, posted today on the Western NY page at:
[Western NY Public Policy Transmission Need - FAQs](#)

Meeting Summaries:

Tuesday, December 1, 2015

Joint Electric System Planning Working Group/Transmission Planning Task Force
Study Scopes



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Q#421

Arkwright Summit Wind Project SRIS
Chautauqua County 78.4MW
Sent to Operating Committee for approval

Q#448

Alps HVDC Project Full SRIS
Alps 345kV Station, NY – Berkshire 345kV Station, MA 600MW Bidirectional NY-MA
Sent to Operating Committee for approval

Q511

Ogdensburg Project Partial SRIS
Saint Lawrence County 79.3MW Summer 90.5MW Winter
Sent to Operating Committee for approval

Q516

Linden Cogeneration Plant Uprate Project Full SRIS
Linden, NJ (ConEd Interconnection) Total Capacity 230MW Summer 234MW Winter
Sent to Operating Committee for approval

Q517

Western NY 230kV Series Reactors and Huntley Capacitor Banks Full SRIS

1. Addition of a 1.53% reactor in series with each of the existing 230 kV lines between Packard Station and Huntley Station (lines 77 and 78)
2. Addition of two 100MVA capacitor banks at Huntley. The Huntley center bus (bus section 70) will be split into three bus sections (70A, 70B, and 70C), with the capacitor banks connecting to buses 70A and 70C.

Sent to Operating Committee for approval

National Grid 2015 Local Transmission Plan Update

Peter Altenburger of National Grid (Grid) presented the Grid Local Transmission Plan update for 2015. Grid has added two projects in their Western Division:

- *Added a project that will re-conductor the 115 kV #141 & #142 circuits between Gardenville and Angola approximately 20.5 miles. This is a non-firm project with an anticipated in-service date of June 2020.*
- *Added a project that will provide overcurrent protection to Sawyer Ave. 230/23 kV banks TB#1, TB#2 & TB#3. This protection will be designed to trip the banks if flows exceed STE ratings. This is a firm project with an in-service date of March 1, 2016.*

A schematic was provided for additional clarity on the Sawyer Ave. protection enhancement. Comments submitted by stakeholders will be posted on the NYISO website.

Class Year 2015 Update



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Steve Corey of the NYISO presented an update to the Class Year 2015 (CY15) study process. The process currently remains on schedule for possible presentation to the Operating Committee in March 2016.

Wednesday, December 2, 2015

Joint Market Issues/Installed Capacity Working Groups

Rest of State Buyer-Side Mitigation Compliance Filing

Lorenzo Seirup of the NYISO presented an update on the pending compliance filing required by FERC in their March 19, 2015 Order. The NYISO responded to the Order on June 17, 2015 with the following:

- *Described that it did not see a compelling need for BSM rules for new entry in ROS at this time*
- *Indicated that there may be concerns regarding the potential market effects of uneconomic retention and repowering*
- *Requested that the Commission allow it to:*
 1. *Propose any necessary measures related to uneconomically retained units and repowering projects that address a reliability need in its October 19 RMR Compliance Filing*
 2. *File a further report 90 days after filing the RMR Compliance Filing addressing further analyses and stakeholder discussion on the uneconomic retention of existing units and repowerings pursuant to agreements that are not principally driven by a reliability need.*

FERC issued a letter order requesting additional information on four items:

1. The July 15 spreadsheet update, and a summary of stakeholder discussions on this issue since June 17
2. The NYISO's analysis on repowering pursuant to agreements not principally driven by reliability needs. FERC directed the NYISO to file its analysis and outcome of the stakeholder discussions on this issue by December 16
3. The existing tariff provisions referenced by the NYISO in its Compliance Filing regarding the applicability of BSM rules to certain repowering projects
4. Whether the NYISO has performed forward-looking analysis examining the effect of the anticipated departure of several generating resources that have announced their intention to retire or mothball on the ability and/or incentive of an LSE to exercise buyer-side market power

The NYISO made corrections and enhancements to the June 18, 2015 NPV workbook recalculating Net Energy & Ancillary Service revenues (E&AS) using updated futures pricing. Mr. Seirup detailed other changes and the resultant effects. The November update to the workbook includes three cases for the Zone F Frame GT w/o SCR and included updates to market conditions. A hypothetical retirement was created using existing notices of intent to retire or mothball. Tables were provided to illustrate the inputs and results. The response to FERC is due December 16, 2015. To provide stakeholders with additional time for comments and discussion, the NYISO has agreed to hold a meeting following the December 9, 2015 BIC meeting. To see Mr. Seirup's complete presentation and associated materials, please go to:

http://www.nyiso.com/public/committees/documents.jsp?com=bic_miwg&directory=2015-12-02

Uneconomic Retention and Repowering of Existing Units



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Lorenzo Seirup of the NYISO presented an update on the pending compliance filing required by FERC in their March 19, 2015 Order in reference to the uneconomic retention and repowering of existing units. To address this requirement the NYISO posted a workbook for stakeholders to use to examine hypothetical uneconomic retention scenarios and the financial benefits it could provide the funding entity. A second measure taken by the NYISO was to update the Rest of State (ROS) Going Forward Costs (GFC) based supply curve. Potential monitoring approaches fall into two general categories:

- *Supply Side – Identify ICAP Suppliers for review, examine costs and above-market contracts*
 - *Could be implemented in a number of different ways in order to balance the effectiveness and administrative burden (both on the NYISO and on the subject Market Participants) of screening measures*
 - *Does not differentiate between legitimate hedging and the exercise of market power*
- *Buyer-side – Examine load-side entities' power supply contracts*
 - *Would require LSEs to submit some or all new contracts for energy & capacity supply to the NYISO for review*

Stakeholders voiced several opinions on the proposed approaches. The NYISO requested that comments be sent in writing for further proposal development. The mitigation proposal to impose an offer floor was discussed with stakeholders revealing several difficulties including the effects on the Installed Capacity market. The NYISO also proposed a process to screen for suspicious activity and be able to refer the said activity to the FERC Office of Enforcement. Some stakeholders opined that the amount of time that a FERC investigation would take could cause irreparable harm to the market. The NYISO encourages comments from stakeholders as the compliance filing is finalized prior to the December 16, 2015 FERC filing. To see the proposal and the associated material, please go to: http://www.nyiso.com/public/committees/documents.jsp?com=bic_miwg&directory=2015-12-02

Renewables and Self Supply Compliance Filing

Dr. Nicole Bouchez of the NYISO presented an update on the pending FERC compliance filing for their October 9, 2015 order directing NYISO to revise the Buyer-Side capacity market power mitigation measures (BSM Rules) to exempt certain narrowly defined renewable and self-supply resources from Offer Floor mitigation. Dr. Bouchez presented two potential approaches to the renewable exemption:

- Exempt specific technologies based on expected costs and capacity factors.
- Renewable projects could request a Renewable Exemption and would be evaluated based on project specific characteristics to determine if they “have limited or no incentive and ability to artificially suppress capacity prices.”

The NYISO is considering a design that would incorporate the two above approaches. Wind and Solar would automatically be exempt (based on expected costs and expected capacity factors) and other Intermittent (renewable) Power Resources could request a project specific exemption. The order also required a MW cap. The NYISO proposed a cap of 200MW of UCAP. Some stakeholders commented that 200MW of UCAP may be too large for the capacity areas that are currently mitigated and the cap should be lower.

The FERC order also specified an exemption for Self-Supply. The NYISO is proposing a hybrid for the PJM method and the method proposed in the complaint. This method would calculate a Maximum



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Net Short threshold and a Maximum Net Long threshold. Stakeholders requested that the NYISO provide numerical examples of the proposal at the next presentation scheduled for December 16, 2015. The compliance filing is due to FERC on January 7, 2016. The NYISO will continue to seek stakeholder input throughout the process. To see the complete presentation by Dr. Bouchez, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2015-12-02/Renewables%20and%20Self%20Supply%20Compliance%20Filing%20DEC%202.pdf

Thursday, December 3, 2015

System Operations Advisory Subcommittee

NYISO Operations Report – November 2015

Peak Load

The peak load for the month was 21,086 MW which occurred on Monday, November 30, 2015, HB17. Reserve requirements were as follows:

Reserve	10 Sync	Non-Sync	30 Min
Requirement	655	1,310	1,965
For Hour	1,530	3,206	6,251
DSASP Cont.	90	0	90

Major Emergencies

None

Alert States -- On 25 occasions Alert State was declared:

- 1 – System Frequency –3 High
- 2 – ACE greater than (+ or -) 500MW
- 1 – Shortage of 10 Min Synchronized Reserve
- 3 – Exceeding Central East Voltage Contingency Limit
- 18 – Emergency Transfer Declared

Alert state was declared 16 times during October of 2014

Thunder Storm Alerts

0 TSA was declared in October 2015 for a total of 0 hours

Reserve Activations – 6

Emergency Actions – None

TLR3 Declared – 0 for a total of 0 hours

2015 Summer Generator Audit Review

Jon Sawyer of the NYISO presented the results of the 2015 Generator Audit process. In Summer 2015 the NYISO conducted a total of 19 audits for 10 Minute Reserve ability. Two out of the 19 units tested failed to reach their stated amount of reserves in the time frame allotted. The NYISO conducted 37 audits for 30 Minute Reserves. Three units failed to reach their stated amount of reserves in the time frame allotted. Results for Summer 2015 were compared to Summer 2014 and showed a decline in the



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10 Minute Reserve audits passed and an improvement in the 30 Minute Reserve audits passed. To see Mr. Sawyer's presentation, please go to:

https://www.nyiso.com/secure/webdocs/markets_operations/committees/oc_soas/meeting_materials/2015-12-03/04_2015%20Summer%20Generator%20Audit%20Review.pdf

NYISO Winter 2015-2016 Operating Study

Robert Golen of the NYISO presented the Operating Study for Winter 2015-16. Mr. Golen noted the retirements and additions of generation since the previous Winter capability period. Maps were provided to illustrate where the generation updates occurred. Transmission changes were highlighted and internal thermal peak transfer limits were updated. Mr. Golen noted internal interface limit changes for peak conditions with a decrease on Dysinger East and an increase on Sprain Brook/Dunwoodie South. A diagram showing transfer limits to external ties was displayed and explained to stakeholders. The Study was recommended to the Operating Committee for approval. To see Mr. Golen's presentation and the complete Winter 2015-16 Operating Study please go to:

https://www.nyiso.com/public/committees/documents.jsp?com=oc_soas&directory=2015-12-03

Comprehensive Shortage Pricing – Document Updates

Ethan Avallone of the NYISO presented updates to documentation that reflects the recent implementation of Comprehensive Shortage Pricing. Manuals that received changes include:

- Ancillary Services Manual
- Day-Ahead Scheduling Manual
- Transmission and Dispatching Operations Manual

The NYISO has also updated the NYISO Locational Reserve Requirements posting as part of this project. Updates to the Market Participant User's Guide will include SENY as a reserve region. To see Mr. Avallone's presentation with specific manual updates, please go to:

https://www.nyiso.com/public/committees/documents.jsp?com=oc_soas&directory=2015-12-03

T&D Manual Revisions for CTS-NE and Other Updates

James Pigeon of the NYISO presented updates to the Transmission and Dispatching Operations Manual (T&D Manual) to incorporate changes for:

- *Coordinated Transaction Scheduling with ISO-NE (CTS-NE)*
- *Technical Bulletin Incorporation*
- *Clean up Non-Firm Language*

The changes include process changes as well as ministerial updates. To see Mr. Pigeon's presentation including the specific updates please go to:

https://www.nyiso.com/secure/webdocs/markets_operations/committees/oc_soas/meeting_materials/2015-12-03/07_TD%20Manual%20Revisions%20for%20CTS-NE%20SOAS.pdf

FERC Filings
December 1, 2015



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NYISO compliance filing of two-week notice of effective date of tariff revisions related to implementation of Coordination Transaction Scheduling with ISO-NE

November 30, 2015

NYISO filing of tariff amendments to implement improved scarcity pricing logic in the Real-Time Market

November 30, 2015

IRC filing of comments in response to FERC's proposed rulemaking titled "Settlement Intervals and Shortage Pricing in Markets Operated by Regional Transmission Organizations and Independent System Operators"

November 30, 2015

NYISO filing of comments in response to FERC's proposed rulemaking titled "Settlement Intervals and Shortage Pricing in Markets Operated by Regional Transmission Organizations and Independent System Operators"

November 25, 2015

NYISO 205 filing of proposed tariff amendments to OATT Attachment F to authorize the NYISO to provide certain market participant information for the New York Generation Attribute Tracking System

FERC Orders

December 4, 2015

FERC Order accepting OATT and Services Tariff amendments to the special market rules applicable to generators serving the New York City steam distribution system

December 1, 2015

FERC Order granting a third party tariff waiver request concerning the relevant penalty provisions for failure to submit timely data

Link to FERC Filings and Orders:

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