

NYISO Consumer Interest Liaison Weekly Summary

October 12 – October 16, 2015

Notices:

• The MC Board Liaison Subcommittee meeting was held on October 20 at Hunton & Williams, 200 Park Ave, NYC NY. The MC Board Liaison Subcommittee agenda and the agenda for the Board's meeting have been posted on the NYISO website at: October 2015 MC BOD Liaison Material

Meeting Summaries:

Tuesday, October 13, 2015

Joint Installed Capacity/Market Issues/Electric System Planning Working Groups Broader Regional Markets Metrics

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

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2015-10-13/Monthly%20Report%20-%202015_09%20FINAL.pdf

CTS with ISO-NE Project Update

Chris Brown of the NYISO presented a deployment and activation update for Coordinated Transaction Scheduling with ISO-NE (CTS-NE). The software deployment to support CTS-NE is scheduled for October 28, 2015 with activation of the CTS-NE bidding targeted for December 15, 2015. The deployment of the software will bring the following changes to the NYISO Marketing Information System (MIS):

- Users must use the revised JESS upload/download templates
- New fields will be displayed on the JESS user interface
- The OASIS ATC/TTC posting will be updated

Commencing with the activation of CTS-NE the Sandy Pond proxy bus bid parameters will be configured. Bids for December 15, 2015 and days forward will be subject to CTS-NE market rules. Following proxy bus bid parameter configuration Market Participants will need to resubmit any bids previously submitted at the Sandy Pond proxy for date/hours after the activation date. The NYISO



will provide notice to market participants and FERC two weeks prior to the final activation date. Additional sandbox testing is scheduled for the week of November 16, 2015 and will be coordinated with ISO-NE. To see Mr. Brown's presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2_015-10-13/agenda%203%20CTS-NE%20Implementation%20Details_MIWG_2015-10-13_final.pdf

Fuel Assurance – Energy Market Concepts

Cristy Sanada of the NYISO presented the energy market design concepts for Fuel Constrained Bidding. Fuel Constrained Bidding was a 2013 and 2014 State of the Market report recommendation and was first introduced to stakeholders in a March MIWG presentation. The concept is to allow MPs to submit inter-temporal energy offers, reflecting a generator's (or portfolio of generators') total production capability over the day or subset of hours in a day, submitted in addition to hourly bids in the day-ahead market. This construct allows generators to submit offers that more accurately reflect fuel supply or production constraints in the day-ahead market. The benefits of this type of bidding functionality are:

- More accurately reflects limited fuel supplies or production limitations and associated costs in the day-ahead market
 - o Today, units manage multi-hour energy limitations in hourly bids
 - This construct would reduce approximations of optimal run-hours and associated production levels and increase efficient use of resources
- Allows generators to be scheduled subject to fuel or other production limitations, increasing market efficiency
- Allows generators more flexibility to bid when OFOs are anticipated
- Helps generators reflect expected real-time conditions in DAM bids
- More efficiently captures fuel costs into energy offers

Ms. Sanada outlined the bidding format and provided graphs and tables to demonstrate functionality. Examples were provided to illustrate how bidding, commitment and price formation would function. Stakeholders requested that the next presentation provide additional examples for clarity. A stakeholder suggested that this functionality should both lower bid production cost while increasing supplier profitability. Another opined that this process would assist with gas coordination. Ms. Sanada highlighted impending changes, including bid validation, bid conversion to real-time, mitigation and settlements to accommodate this proposed bidding option. The NYISO will present an update to this proposal at the October 30, 2015 MIWG meeting to address questions and other open items prior to seeking BIC input on this design concept at the November BIC meeting. To see Ms. Sanada's presentation please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2 015-10-

<u>13/agenda%204%20Market%20Concepts%20for%20Energy%20Market%20Fuel%20Assuance_MIW</u> <u>G_10132015_final.pdf</u>



Continued Review of Proposed RMR Tariff Revisions

Several NYISO presenters covered specific sections of the proposed tariff revisions updated to meet the October 19, 2015 RMR compliance filing with FERC. There have been several stakeholder meetings providing opportunities for market participants to discuss tariff language. Alex Schnell of the NYISO presented the proposed pro forma agreement containing updates from the last discussion with stakeholders. Julia Popova of the NYISO presented the recent updates for Section 15 of the Market Services Tariff, Schedule 8. David Allen addressed the remaining tariff sections with the assistance of Zach Smith of the NYISO Planning group. Shaun Johnson of the NYISO presented Attachment H of the tariff, pertaining to conduct warranting mitigation, for stakeholder discussion. Stakeholders responded to all presenters with suggestions and comments which the NYISO will consider, where appropriate, as the filing deadline approaches. To see the redline tariff language, as presented, please go to:

http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg&_cldee=c2xlbW1lQG55a XNvLmNvbQ%3d%3d

Wednesday, October 14, 2015

Business Issues Committee <u>Motion #1:</u> Motion to approve the Minutes of the August 21, 2015 BIC meeting **Motion passed unanimously**.

Motion #2:

Motion to approve the Minutes of the September 16, 2015 BIC meeting **Motion passed unanimously**.

Motion #3:

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve, and recommend to the NYISO Board for filing under Section 205 of the Federal Power Act, revisions to Attachment K of the Market Administration and Control Area Services Tariff as described in the presentation entitled "Enhancements to Submitting Risk Management Policies and Procedures," made at the October 14, 2015 BIC meeting.

Motion passed unanimously.

Motion #4:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve changes to the NYISO's Market Administration and Control Area Services Tariff (MST) and Open Access Transmission Tariff (OATT) related to the Comprehensive Scarcity Pricing proposal, as more fully described in the presentation entitled "Comprehensive Scarcity Pricing" made to the BIC on October 14, 2015. The BIC also requests that the NYISO and/or its Market Monitoring Unit ("MMU") monitor the



effects of these changes on real-time market outcomes during EDRP/SCR activations. After sufficient experience has been gained with these revised procedures, the BIC requests that the NYISO and/or the MMU report to stakeholders regarding: (1) whether these revised procedures had any significant effects on dispatch efficiency and (2) whether changes to the definition of Available Operating Capacity would have significantly affected the frequency with which scarcity pricing would have been applied. **Motion passed unanimously with abstentions.**

Motion 4A:

Motion to amend motion 4:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve changes to the NYISO's Market Administration and Control Area Services Tariff (MST) and Open Access Transmission Tariff (OATT) related to the Comprehensive Scarcity Pricing proposal, as more fully described in the presentation entitled "Comprehensive Scarcity Pricing" made to the BIC on October 14, 2015. The BIC also requests that the NYISO and/or its Market Monitoring Unit ("MMU") monitor the effects of these changes on real-time market outcomes during EDRP/SCR activations. After sufficient experience has been gained with these revised procedures, the BIC requests that the NYISO and/or the MMU report to stakeholders regarding: (1) whether these revised procedures had any significant effects on dispatch efficiency and (2) whether changes to the definition of Available Operating Capacity would have significantly affected the frequency with which scarcity pricing would have been applied. **Motion passed unanimously.**

Motion #5:

The Business Issues Committee (BIC) hereby approves the Transmission Expansion and Interconnection Manual revisions as presented and discussed at the October 14, 2015 BIC meeting.

Motion passed unanimously with abstentions.

Motion #6:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve changes to the NYISO's Open Access Transmission Tariff as described in the presentation entitled "NY Generation Attribute Tracking System Data Feed and Code of Conduct Change," made to the BIC on October 14, 2015. **Motion passed unanimously.**

Motion #7:

The Business Issues Committee (BIC) recommends that the Management Committee recommend that the Board of Directors approve the NYISO 2015 Congestion Assessment and Resource Integration Study Phase 1 Report (2015 CARIS Phase 1



Report) as presented by the NYISO to the BIC at its October 14, 2015 meeting. The 2015 CARIS Phase 1 Report was prepared by the NYISO in consultation with and subject to review by the Electric System Planning Working Group and the Transmission Planning Advisory Subcommittee.

Motion passed unanimously with an abstention.

Motion #8:

The Business Issues Committee (BIC) hereby approves the Transmission and Dispatching Manual revisions as presented and discussed at the October 14, 2015 BIC meeting.

Motion passed unanimously.

Thursday, October 15, 2015

Operating Committee

Motion #1:

The Operating Committee (OC) hereby approves the Transmission and Dispatching Operations Manual revisions as presented and discussed at the October 15, 2015 OC meeting.

The motion passed unanimously by show of hands.

Motion #2:

The Operating Committee (OC) hereby approves the Transmission Expansion and Interconnection Manual revisions as presented and discussed at the October 15, 2015 OC meeting.

The motion passed unanimously by show of hands. Motion #3:

The Operating Committee (OC) hereby approves the Q#422 Call Hill Wind System Reliability Impact Study Scope as presented and discussed at the October 15, 2015 OC meeting.

The motion passed unanimously with an abstention.

Motion #4:

The Operating Committee (OC) hereby approves the Q#449 Stockbridge Wind System Reliability Impact Study Scope as presented and discussed at the October 15, 2015 OC meeting.

The motion passed by majority with abstentions.

Motion #4:

The Operating Committee (OC) hereby approves the Q#510 Bayonne Energy Center II System Reliability Impact Study Scope as presented and discussed at the October 15, 2015 OC meeting.

The motion passed unanimously with an abstention.



FERC Filings

October 16, 2015

NYISO filing of a request for extension of compliance deadline relating to a very limited aspect of the Comprehensive Shortage Pricing project

FERC Orders

October 15, 2015

FERC letter order accepting the outage states compliance filing that addressed five issues specified in the Commission's April 30, 2015 order in this proceeding

Link to FERC Filings and Orders:

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