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NYISO Consumer Interest Liaison Weekly Summary

October 26 – October 30, 2015

Notices:

- *As discussed at the October 28, 2015 Management Committee meeting, Sectors are requested to provide two representatives for the Board Selection Subcommittee by November 6, 2015. If you would like to arrange a conference call with your sector members, please contact Leigh Bullock at lbullock@nyiso.com.*
- *On November 4, 2015, the NYISO will implement the accepted tariff revisions related to Comprehensive Shortage Pricing, as described in the [Comprehensive Shortage Pricing](#) presentation.*
- *The [Redline](#) and [Clean](#) versions of the Ancillary Services Manual (M-02) have been posted to the [NYISO Manuals & Guides webpage](#) under the 'Manuals>Under Review' folder. The proposed revisions were discussed at the 10/7/15 SOAS and the 10/9/15 ICAP Working Group meetings in anticipation for the upcoming 11/13/15 BIC and 11/12/15 OC meetings*
- *This is a friendly reminder for all **organizations who wish to renew their committee memberships for next year** to submit their 2016 sector letters by November 30, 2015. Per Section 7.04 of the ISO Agreement, Management Committee members must advise the President of the NYISO by **November 30, 2015**, in writing, of the sector in which they choose to participate for 2016. If a Party is qualified to participate in more than one sector, it shall advise the NYISO President, in writing, of the sector in which it chooses to vote.*

Meeting Summaries:

Monday, October 26, 2015

Installed Capacity/Market Issues/Price Responsive Load Working Groups

Updated Proposed 2016-2017 IRM Topology

Yachi Lin of the NYISO presented the updated proposed 2016/2017 IRM topology. The NYISO is proposing to restore the topology and the transfer limits to the 2014/2015 status. This is a result of:



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- *The assumed Northern NJ transmission upgrades will not be in-service before summer 2016, and will limit the emergency assistance from PJM.*
- *Phase II (additional cooling) of Staten Island Un-bottling project will not be in-service before summer 2016.*

The NYISO will also maintain the balance of the ConEd-PSEG wheel as JK/ABC flows need to be balanced. To see the proposed changes, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2015-10-26/2016IRM_topology_draft_TPAS_20151016.pdf

BTM-NG CRIS and Interconnection Tariff Revisions

James Pigeon of the NYISO presented tariff revisions necessary to implement the Behind the Meter – Net Generation (BTM-NG) initiative. Mr. Pigeon began by providing an overview of the BTM-NG concepts and benefits. Mr. Pigeon highlighted the tariff revisions and led discussions with stakeholders on specific wording and principles of the changes. The NYISO noted several stakeholder comments for its consideration prior to returning to a future working group to continue the discussion. A timetable was provided for the project with an anticipated implementation of fourth quarter 2016, contingent on timely approval from Market Participants, the NYISO Board of Directors and FERC. To see Mr. Pigeon’s presentation and associated tariff redline versions, please go to:

http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg&directory=2015-10-26

Monday, October 26, 2015

Budget and Priorities Working Group

2015 Budget vs. Actual

Cheryl Hussey of the NYISO presented NYISO’s 2015 year-to-date budget vs. actual status. Rate Schedule 1 recoveries are \$5.0M ahead of budgeted revenues through September. Year-to-date budgeted costs vs. actual costs through September reflect an \$8.3M budget under-run. To see Ms. Hussey’s complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/mc_bpwg/meeting_materials/2015-10-26/2015-Budget_vs_Actual.pdf

Stakeholder Feedback on 2016 Project Prioritization Process

Ryan Smith of the NYISO presented stakeholder feedback on the 2016 project prioritization process NYISO initiated for the development of the 2016 project budget. Mr. Smith summarized stakeholder comments and presented the NYISO responses to the issues. The NYISO will make an effort to incorporate stakeholder suggestions into the 2017 project prioritization process. A matrix was provided listing stakeholder feedback and the NYISO response. To view Mr. Smith’s complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/mc_bpwg/meeting_materials/2015-10-26/2016%20Project%20Prioritization%20Process%20Feedback.pdf

2016 Annual Incentive Goals



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Emilie Nelson of the NYISO presented changes made to the 2016 incentive plan presented to stakeholders on October 5, 2016. Two major changes highlighted by Ms. Nelson are the addition of a Clean Power Plan (CPP) goal and an increase of the percentage for attaining Goal number 8, “Western NY Public Policy Transmission Need”. For the CPP the NYISO will focus on the assessment of the potential reliability and market impacts with NY’s CPP compliance. A complete evaluation will be developed and reviewed with stakeholders. The weighting for the goal to complete the Western NY Public Policy Transmission Need evaluation by the end of April 2016 has been increased from 5% to 10%. Other changes consist of minor changes to delivery dates or percentages of incentive total due to required workload changes. To see Ms. Nelson’s complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/mc_bpwg/meeting_materials/2015-10-26/2016%20Annual%20Incentive%20Goals.pdf

Wednesday, October 28, 2015

Management Committee

Motion #1:

The Management Committee (MC) approves the September 2015 meeting minutes.

The motion passed by show of hands

Motion #2:

Motion to consider a co-chair proposal for the 2016 Management Committee Vice-Chair Candidates, Patti Caletka and Scott Leuthauser, whereas Scott Leuthauser will serve as the MC Vice-Chair for the first six months and Patti Caletka will serve as the MC Vice-chair for the second six months.

The motion passed unanimously by show of hands

Motion #3:

The Management Committee hereby recommends that the Board of Directors approve the proposed Rate Schedule #1 Revenue Requirement for the 2016 budget year as described in the presentation materials for the October 28, 2015 Management Committee meeting, subject to the following provisions:

- **Revenue Requirement** – The Revenue Requirement is \$148.1 million.
- **Rate Schedule #1** – The budgeted Rate Schedule #1 is \$0.928/MWh.
- **Spending Under-runs** – If a spending under-run occurs, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings. **Volume Over-collections** – If an over-collection on Rate Schedule #1 occurs, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings.

The motion passed unanimously by show of hands with an abstention

Motion #4:

The Management Committee (MC) hereby approves revisions to the NYISO’s Market Administration and Control Area Services Tariff (MST) and Open Access Transmission Tariff (OATT) related to the



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Comprehensive Scarcity Pricing proposal, as more fully described in the presentation entitled “Comprehensive Scarcity Pricing,” made to the MC on October 28, 2015 and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act. The MC 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 MC 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.

The motion passed by show of hands with one opposition

Motion #5:

The Management Committee (MC) hereby approves, and recommends 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 28, 2015 MC meeting.

The motion passed unanimously by show of hands

Motion #6:

The Management Committee (MC) approves and recommends 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 MC at its October 28, 2015 meeting.

The motion passed unanimously by show of hands with abstentions

Motion #7:

The Management Committee (“MC”) hereby recommends that the NYISO’s Board of Directors authorize the NYISO staff to file with the Federal Energy Regulatory Commission 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 MC on October 28, 2015.

The motion passed unanimously by show of hands

Vice Chair Election

Scott Leuthauser and Patti Caletka were elected Vice Co-Chairs of the Management Committee for 2016.

Thursday, October 29, 2015

Joint Electric System Planning Working Group/Transmission Planning Advisory Subcommittee Consolidated Edison Long-Range Transmission Plan 2015 – 2025



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Matt Koenig of Consolidated Edison (Con Edison) presented the long-range transmission plan for 2015 through 2025. Mr. Koenig provided the Con Edison forecast through 2025 and noted that the New York State Reforming the Energy Vision (REV) program was not addressed in the forecast. A table listing the 17 Transmission Load Areas (TLAs) for the Con Edison transmission district was presented. Each TLA was subjected to Thermal, Voltage and Short Circuit assessments. Three TLAs showed a need for system reinforcements:

- Astoria East/Corona 138kV TLA
- Corona/Jamaica 138kV TLA
- Greenwood/Staten Island 138kV TLA

Mr. Koenig highlighted the above TLAs geographically and described the actions that would be taken to provide solutions.

New York City continues to attract significant amounts of new generation and transmission capacity in the NYISO interconnection queue:

- Proposed Generation Facilities 2,743 MW
- Proposed Transmission Facilities (incl. HVDC) 4675 MW

Parties that are interested in commenting on Con Edison's Transmission Planning Process can e-mail comments to TPTeam@coned.com. To see the complete presentation with links to reference information please go to:

https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2015-10-29/Con%20Ed_The%20Long%20Range%20Transmission%20Plan.pdf

The 2015 Long-Range Transmission Plan is posted on the Con Ed website at:

<http://www.coned.com/tp/LTP-2015-2025.pdf>

National Grid Local Transmission Plan – 2015

Roy Pfleiderer of National Grid presented the National Grid (NG) Local Transmission Plan (LTP) for 2015. Mr. Pfleiderer explained that the planning horizon for the NG LTP is 10 years although NG extends some studies to a 15 year horizon. Internet links were provided to access the LTP and additional information related to the LTP. Mr. Pfleiderer addressed the assumptions concerning the recent Western New York generator availability announcements related to Huntley and Dunkirk. NG and NYISO are considering the reliability impacts due to the loss of Huntley and in response to the NYPSC August 28, 2015 letter request. A list of projects and timetables was provided for Western New York. For Central New York, maps of the Syracuse and Utica areas were detailed and a project list was provided for the ten year period. Eastern New York was highlighted and a project list was provided for the period. To see the presentation please go to:

https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2015-10-29/National%20Grid%20LTP%20-%20Updated.pdf

To see the National Grid Transmission Planning Guide, please go to the National Grid website at:

www.nationalgridus.com/transmission/c3-8_standocs.asp

Western NY Public Policy Transmission Need: Updated Baseline Results

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Zach Smith of the NYISO presented the updated baseline results for the Western NY Public Policy Transmission Need (PPTN), accounting for the National Grid Local Transmission Plan updates. Mr. Smith explained that the PSC directed the NYISO to consider projects that increase Western NY transmission capability sufficient to:

- *Obtain the full output from Niagara (2,700 MW including Lewiston Pumped Storage);*
- *Maintain certain levels of simultaneous imports from Ontario across the Niagara tie lines (i.e., maximize Ontario imports under normal operating conditions and at least 1,000 MW under emergency operating conditions);*
- *Maximize transfers out of Zone A to the rest of the state;*
- *Prevent transmission security violations (thermal, voltage or stability) that would result under normal and emergency operating conditions; and*
- *Maintain reliability of the transmission system with fossil-fueled generation in Western NY out-of-service, as well as in-service.*

Mr. Smith highlighted the sufficiency base case and explained that any proposed solutions will be required to address the full output of the Niagara units (2700MW) at both 115kV and 230kV. In response to stakeholder inquiries, the requirement for imports from Ontario was discussed and clarified. Emergency Transfer Criteria and Normal Transfer Criteria baseline results were provided under N-1 and N-1-1. The presentation provided internet links for additional information and questions. A timetable was included with November 1, 2015 as the date to begin the 60 day NYISO solicitation window for Public Policy Transmission Projects and Other Public Policy Projects, with a deadline of December 31. Instructions for the requirements will be included in the solicitation letter. To see Mr. Smith's presentation, please go to:

https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2015-10-29/Western_NY_PPTN_Baseline.pdf

Updated Proposed 2016-2017 IRM Topology

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- *The assumed Northern NJ transmission upgrades will not be in-service before summer 2016, and will limit the emergency assistance from PJM.*
- *Phase II (additional cooling) of Staten Island Un-bottling project will not be in-service before summer 2016.*

The NYISO will also maintain the balance of the ConEd-PSEG wheel as JK/ABC flows need to be balanced. To see the proposed changes, please go to:

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Friday, October 30, 2015

Market Issues Working Group

Fuel Assurance – Energy Market Design Concepts: Fuel Constrained Bidding



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Cristy Sanada of the NYISO presented the market design concepts for Fuel Constrained Bidding. This project is an aspect of the NYISO Fuel Assurance Initiative. Fuel Constrained Bidding is an energy market enhancement that will allow suppliers to more efficiently reflect fuel supply constraints in the day-ahead market, as recommended in the 2013 and 2014 State of the Market reports. Fuel Constrained Bidding is an optional intertemporal energy offer, reflecting a generator or generators' (generator portfolio) total production capability over the day or subset of hours in a day, that can be submitted in addition to hourly bids in the Day-Ahead Market. Benefits of this bidding functionality include:

- *Allows generators to be scheduled subject to fuel or other production limitations, increasing market efficiency*
- *Reduces approximations of where to place opportunity cost adders in hourly bids*
- *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*

There are two potential designs that have been identified for modeling Fuel Constrained Bidding. The first is the Total Energy Curve design. This design would require (if opting to use the functionality) the MP to submit for an hour or subset of hours in the electric day a cost curve reflecting total energy capability in the timeframe (MWh) and cost to produce those MWhs (\$/MWh) for the generator or portfolio in addition to existing hourly three-part bids. The second design concept is the Fuel Cost and Efficiency Curve design. This design would require the supplier to submit hourly three part bids, a fuel cost curve for the portfolio of generator, individual incremental heat rate curves for each generator, and heat input at Minimum Generation for each generator.

The NYISO proposes to develop the Total Energy Curve design first as the basis for an FRS in 2016 and research/prototype the Fuel Cost and Efficiency Curve design further and report back on findings. This direction is proposed because the Fuel Cost and Efficiency Curve design will require more extensive changes to downstream market systems which are estimated to lengthen the implementation process by a year compared to the Total Energy Curve design. The development of the Total Energy Curve design will also create the framework from which more complex intertemporal bidding designs can be implemented. The NYISO will seek BIC endorsement in November to pursue the Total Energy Curve design for a single generator and portfolio of generators in 2016, prior to pursuing more complex designs. The request for endorsement at the November 13, 2015 BIC will provide the NYISO direction on the market design concepts presented. An in-depth appendix was included to provide additional clarity on examples demonstrating market efficiency and explaining price formation under this functionality. To see Ms. Sanada's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2015-10-30/Market%20Concepts%20for%20Energy%20Market%20Fuel%20Assurance_MIWG_10302015_final.pdf

FERC Filings



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October 30, 2015

Filing by PJM, on behalf of CAISO, ISO-NE, MISO, NYISO and SPP, of the 2015 ISO/RTO Metrics Report in Docket No. AD14-15-000

October 30, 2015

NYISO filing of OATT and Services Tariff amendments to increase the eligibility for the special market rules applicable to generators serving the New York City steam distribution system

October 29, 2015

NYISO filing of proposed tariff amendments to its market power mitigation measures regarding physical withholding and reflecting fuel costs in reference levels

October 27, 2015

NYISO filing of a response to the Commission's August 28, 2015 deficiency letter, a request for a revised effective date and a resubmission of proposed tariff revisions regarding enhancements to the Public Policy Transmission Planning Process

FERC Orders

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