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NYISO Consumer Interest Liaison Weekly Summary

September 14 – September 18, 2015

Notices:

- *On September 16, 2015 the Board of Directors of the New York Independent System Operator (NYISO) announced the selection of Bradley C. Jones as President and Chief Executive Officer, effective October 12, 2015. Mr. Jones will replace Stephen G. Whitley, who announced his intention to retire earlier this year, but will remain with the NYISO to assist with the leadership transition and then to act as an advisor to the Board of Directors.*
- *As discussed at the September 18, 2015 BPWG meeting, please submit any comments on the 2016 Project Prioritization Process to lbullock@nyiso.com by October 7, 2015.*

Meeting Summaries:

Wednesday, September 16, 2015

Business Issues Committee

Motion #1:

The Business Issues Committee (BIC) hereby approves revisions to the Installed Capacity Manual as presented at the September 16, 2015 BIC Meeting.

Motion passed unanimously with an abstention.

Motion #2:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve the specified changes to the NYISO’s Services Tariff Sections 4.5 and 15.3A.3 as described in the presentation entitled “New York City Steam Exemption,” made to the BIC on September 16, 2015.

Motion passed unanimously with abstentions.

Motion #3:

The Business Issues Committee (“BIC”) hereby recommends that the NYISO continues to work with the Market Issues Working Group and Installed Capacity Working Group to continue to refine the Behind the Meter Net Generation proposal as more fully described in the presentation made to the BIC on September 16, 2015.



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Motion #3a:

Motion to amend motion 3 as follows:

The Business Issues Committee (“BIC”) hereby recommends that the NYISO continues to work with the Market Issues Working Group and Installed Capacity Working Group to continue to **more fully develop** refine the Behind the Meter Net Generation proposal **as discussed in the NYISO stakeholder process. Tariff language prepared to implement this proposal will be presented to the BIC for approval.**

Motion passed unanimously with an abstention.

Motion #3b:

The Business Issues Committee (“BIC”) hereby recommends that the NYISO continues to work with the Market Issues Working Group and Installed Capacity Working Group to continue to more fully develop the Behind the Meter Net Generation proposal as discussed in the NYISO stakeholder process. Tariff language prepared to implement this proposal will be presented to the BIC for approval.

Motion passed unanimously with an abstention.

Thursday, September 17, 2015

Operations Committee

Motion #1:

The Operating Committee (OC) hereby approves the meeting minutes from August 13, 2015.

Motion passed unanimously

Motion #2:

The Operating Committee (OC) hereby approves the Q#444 Cricket Valley Energy Center II System Reliability Impact Study Report as presented and discussed at the September 17, 2015 OC meeting.

Motion passed unanimously

Motion #3:

The Operating Committee (OC) hereby approves the Q#445 Lighthouse Wind System Reliability Impact Study Scope as presented and discussed at the September 17, 2015 OC meeting.

Motion passed unanimously

Thursday, September 17, 2015

Electric System Planning Working Group

Transmission Security Cost Allocation

Zach Smith of the NYISO presented the proposal for Transmission Security cost allocation. Due to the FERC RMR Order, NYISO must be the entity that makes the determination whether a specific generator is needed to ensure reliable transmission service and thus whether the facility is designated an RMR (Reliability Must Run) unit and properly allocate the associated costs. Key principles for this process include:



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- *Primary beneficiaries shall initially be those Load Zones identified as contributing to the reliability violation.*
- *The cost allocation among primary beneficiaries shall be based upon their relative contribution to the need for the regulated solution.*
- *The ISO will examine the development of specific cost allocation rules based on the nature of the reliability violation (e.g., thermal overload, voltage, stability, resource adequacy and short circuit).*
- *Consideration should be given to the use of a materiality threshold for cost allocation purposes.*

Mr. Smith led a review of the current reliability cost allocation methodology and explained the additional steps required to revise the process to meet compliance. Mr. Smith detailed the proposed methodology while providing Leeds-PV as an example. There will be an additional presentation to review tariff language at the September 24 ESPWG meetings. To see Mr. Smith's complete presentation, please go to:

https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2015-09-17/TS_cost_allocation.pdf

2015 CARIS Report

Tim Duffy of the NYISO presented the draft 2015 Congestion Assessment and Resource Integration Study (CARIS), Phase 1 for initial review and discussion with stakeholders. Mr. Duffy highlighted the sections of the CARIS study while noting stakeholder comments. Written comments are requested by September 22, 2015 for consideration for a presentation to the October 1, 2015 TPAS meeting. To see the complete draft 2015 CARIS – Phase 1 report, please go to:

https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2015-09-17/2015_CARIS_Report.pdf

For the 2015 CARIS – Phase 1 Appendices B – J, please go to:

https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2015-09-17/2015_CARIS_Final_Appendices_v8.pdf

Friday, September 18, 2015

Budget and Priorities Working Group

2016 FERC Fees

Chris Russell of the NYISO presented the implementation schedule of the changes to the recovery of FERC Fees from market participants. 2016 will mark the first year NYISO is not including the FERC Fee in the Annual Budget. NYISO plans to recover the funds to pay the FERC Fee beginning in January 2016, based on an estimated fee of \$11.5M (or approx. \$958K/ month). Mr. Russell provided a listing of past annual FERC Fees dating to 2002 for comparison. To see the presentation by Mr.

Russell please go to:

https://www.nyiso.com/public/webdocs/markets_operations/committees/mc_bpwg/meeting_materials/2015-09-18/2016%20FERC%20Fees.pdf

Stakeholder Feedback on the 2016 Project Prioritization Process



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Ryan Smith of the NYISO presented a discussion with stakeholders on the new process recently used by the NYISO to assist in prioritizing projects for the 2016 NYISO Budget. The NYISO introduced a method for the 2016 budget process in which stakeholders were provided points to assign to projects in an effort to assign weights for project prioritization preference. Mr. Smith opened the floor to stakeholders to comment on the process in an effort to refine the process. Suggestions offered in person were noted by the NYISO and Mr. Smith requested that written comments can be sent in for consideration through October 7, 2015 to bullock@nyiso.com.

Friday, September 18, 2015

Installed Capacity Working Group

RMR Proposal

David Allen presented a review of proposed tariff language for the FERC RMR (Reliability Must Run) compliance filing. The proposed language was discussed with stakeholders. Several suggestions by stakeholders were noted for further consideration. The NYISO will offer stakeholders additional opportunities to review and discuss tariff language prior to the October 19, 2015 filing with FERC. To see the proposed tariff language as presented to the September 18, 2015 ICAP WG, please go to: https://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=bic_icapwg

FERC Filings

September 18, 2015

NYISO filing of a Tenth Informational Report on Efforts to Develop Rules Addressing Compensation to Generators that Are Determined to be Needed for Reliability

FERC Orders

September 18, 2015

FERC letter order accepted a transmission facility interconnection agreement (IA No. 2232) among NYISO, NYSEG and Trans-Allegheny Interstate Line Company (TrAILCo)

September 17, 2015

FERC letter order accepting tariff provisions that create an independent mechanism for recovering NYISO's share of the annual FERC fee

September 17, 2015

FERC letter order accepting tariff provisions that change the timeframe for requiring credit support for External Transactions

September 17, 2015

FERC letter order accepting tariff provisions that enhance NYISO's ICAP Spot Market Auction credit requirement to more accurately reflect NYISO's credit exposure

Link to FERC Filings and Orders:



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