

Consumer Interest Liaison Weekly Summary

February 3 – February 7, 2013

Notices:

- Due to a scheduling conflict with a full day EIPC meeting, the MC meeting scheduled for February 24 has been moved to February 27.
- The NYISO Market Training Department is offering a one day MT-101 Market Overview Course on Tuesday, March 11, 2014, from 8:30 AM to 4:30 PM at the NYISO at 10 Krey Boulevard Rensselaer, NY 12144.
- The NYISO Market Training Department is offering a three and a half day MT-201 New York Market Orientation Course (NYMOC). The course begins on March 18, 2014, and ends on March 21, 2014. On March 18-20 the course runs from 8:30 AM to 4:30 PM, and on March 21 the course runs from 8:30 AM to 12 Noon. It is being held at the NYISO at 10 Krey Boulevard Rensselaer, NY 12144.
- On 1/28/14, FERC issued a notice for a February 26, 2014 technical conference to discuss with interested parties whether or not to model Load Zone K as an export-constrained zone for future demand curve reset proceedings.

Meeting Summaries:

Tuesday, February 4, 2014

Joint Market Issues/Installed Capacity Working Group

Import Rights Deliverability Assessment -- Follow up to questions from 1/22/2014 ICAP WG Meeting

Steve Corey of the NYISO presented the NYISO response to a stakeholder question from the ICAP WG meeting of January 22, 2014 regarding the methodology used in the Annual Import Rights Deliverability Assessment, post New Capacity Zone (NCZ). Mr. Corey referenced prior presentations on the above methodology and an illustrated map of power flows into and through the New York Control Area. Mr. Corey stated that with regards to



both the effect of the NCZ on the Performance of Deliverability tests and the evaluation of requests for External CRIS Rights, the

Deliverability evaluation will continue to consider that the requested External CRIS Rights "sink" to the ROS Capacity Region. Mr. Corey acknowledging that the NCZ affects the definition of the ROS Capacity Region explained that the Import Rights Assessment consists of two steps:

- 1. Reliability Assessment Determination of Import Rights Limits based on Resource Adequacy Criterion (LOLE)
- 2. Deliverability Assessment Evaluation of Deliverability of Import Rights Limits from Step 1. If not fully deliverable, determine the level of Import Rights Limits that are deliverable, if any. Also evaluate deliverability of any Available ETCNL, i.e., ETCNL Rights above NYSEG's election.

Mr. Corey presented a table illustrating the Import Rights Limits and ETCNL values. Mr. Corey explained that the methodology used tests imports simultaneously and assumed that the imports sink to ROS. Two sets of tests are used; Highways and Byways tests for ROS; Other Interfaces test evaluates the impact of delta imports on Total Transfer Capability of Other Interfaces applicable to adding capacity to Rest-of-State, including UPNY-SENY. If deliverability issues are identified, limits are reduced based on the sensitivity of individual import sources. To see Mr. Corey's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/me_eting_materials/2014-02-

04/Import%20Rights%20Deliverability%20Assessment Joint%20ICAP-MI%20WG 02-04-2014 FINAL.pdf

Defining Outage States to Include a Mothball Outage Update

Emilie Nelson of the NYISO presented the proposed tariff amendments in reference to including a Mothball Outage state. This process was initiated in December 2012 and has been discussed with stakeholders at 14 working group meetings. Ms. Nelson detailed the revised tariff language while stakeholders offered comments. Ms. Nelson committed to posting the revised proposed language in time to meet the posting requirements for the February 12, 2014 BIC. To see the tariff language as it was presented, see: http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg&directory=20

14-02-04

<u>Thursday, February 6, 2014</u>

Electric System Planning Working Group

Hurdle Rate Discussion

Tim Duffy of the NYISO presented the approach that will be used to establish the 2014 CARIS II Hurdle Rates. For the 2013 CARIS 1, Hurdle Rates were developed utilizing the Hurdle Rates adopted in the prior CARIS cycle. Some stakeholders expressed concerns with this approach and requested that the NYISO examine an alternative approach. The



NYISO performed an analysis to review the Hurdle Rates. The analysis process was as follows:

- Begin with historic market transaction rates
 - Export Transmission Service (ETS) Tariff Study, IESO, Charles River Associates, May 16, 2012
- Iteratively review modeled and actual inter-control area flows and adjust Hurdle Rates, as necessary
- Compare flows from final set of Hurdle Rates with historic actual flows and flows based on 2013 CARIS Phase 1 Hurdle Rates

Mr. Duffy presented tables and graphs illustrating the results of this analysis. Utilizing historic market transaction costs as the "starting point" for fine tuning the Hurdle Rates, as an alternative to the current practice, did not generate superior results. To see Mr. Duffy's complete presentation, please see:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/mee_ting_materials/2014-02-06/ESPWG%20020614%20Final.pdf

Summary of 2013 Weather-Adjusted Energy

Arthur Maniaci of the NYISO presented a summary of the weather-adjusted growth rate in energy sendout for 2013. The net result was negative growth for NYC and LI and positive growth for Upstate, NY. To see the details of Mr. Maniaci's presentation, please see: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/mee_ting_materials/2014-02-06/ESPWG_2013_Energy%20Growth.pdf

Summary of Moody's Analytics December 2013 Economic Forecast

Arthur Maniaci presented Moody's updated economic forecast. The forecast covers several categories of economic activity including income, employment and GDP. To see Mr. Maniaci's complete presentation, please see:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/mee ting_materials/2014-02-06/ESPWG_2013_Dec_Moodys.pdf

FERC Filings

<u>February 7, 2014</u>

TO filing of amended and restated LGIA no. 2076 between National Grid and Carr Street Generating Company, L.P. and request for waiver of Commission notice requirement

February 3, 2014

NYISO filing of an answer to a motion to consolidate dockets

February 3, 2014

NYISO filing of motion to response and leave to response to third party comments and protest on NYISO's special pricing rules provision



FERC Orders

<u>February 4, 2014</u>

FERC order accepting and suspending National Grid's TSC formula revisions and permitting them to become effective July 1, 2013, as requested, subject to refund and further FERC order

Link to FERC Filings and Orders:

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