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Consumer Interest Liaison Weekly Summary

February 17 – February 21, 2013

Notices:

- 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.

Meeting Summaries:

Wednesday, February 19, 2014

Joint Installed Capacity/Price Responsive Load Working Group Summer 2013 Demand Response Event Response Summary

Vijaya Ganugula of the NYISO presented a summary of the Demand Response event responses for Summer 2013. Mr. Ganugula presented the following observations for the events:

- SCR response for 2013 events is lower than for 2012 events
- The reliability need for SCRs for summer 2013 events extended for more than 4 hours
- SCR response is sharply lower outside the 4 hour performance obligation window
- NYISO did not see significant evidence of fatigue in SCR responses with 5 contiguous days of DR activations
- 2013 EDRP event response is comparable to 2012

Tables with response data were presented to illustrate various statistical aspects of resource response. Graphs were presented to reflect the amount of demand reduction in relation to the projected weather adjusted total load. Stakeholders requested that some information be re-formatted for the upcoming Management Committee presentation of the material for additional clarity. To see Mr. Ganugula's complete presentation, please see:



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http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2014-02-19/Summer%202013%20DR%20Event%20Response%20Summary_ICAPWG.pdf

Proposed ICAP Manual Revisions Related to the Changes to Concepts for Provisional ACL Project

Donna Pratt of the NYISO presented proposed ICAP manual revisions required as a result of the December 2013 FERC order conditionally accepting proposed tariff revisions for the Provisional ACL project. These revisions are effective as of March 15, 2014. The Provisional ACL project revisions include:

- *SCR Load Zone Peak Hours*
- *Average Coincident Load*
- *Provisional Average Coincident Load*
- *Incremental Average Coincident Load*
- *SCR Change of Load and SCR Change of Status*
- *Sanctions, shortfalls, deficiency charges*

The manual revisions modify the existing language and add language to support the tariff revisions accepted by FERC for the Provisional ACL project while replacing language in the manual with the tariff reference for definitions and program rules that are now explicit in the tariff. The next step for the NYISO in this process is to incorporate stakeholder feedback into the revisions and return to the ICAP WG with the final language. Due to time constraints, the NYISO will create a Technical Bulletin to bridge the time from the March deployment of the changes in the DRIS system and the Committee acceptance of the ICAP Manual revisions, anticipated for April 16, 2014. To view Ms. Pratt's presentation, as well as the revised manual language, see:

http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg&directory=2014-02-19

Proposed ICAP Buyer-Side Mitigation Modifications – Repowering and Increased CRIS

Randy Wyatt of the NYISO presented the modifications to the Buyer-Side Mitigation (BSM) rules in reference to Repowering, Replacement and Increased CRIS. Mr. Wyatt presented the incremental proposed changes to the tariff language which were posted in November, 2013.

Criteria were presented to compare a Repowering Exemption and Replacement Treatment in the BSM evaluation. Mr. Wyatt presented Repowering and Replacement Examined Facility Threshold Criteria that must be met to receive an exemption including the Proximity Test and the Economic Viability Test (EVT). For a unit requesting an increase in CRIS, the unit must pass the existing BSM tests consisting of Part A and Part B for an exemption. Mr. Wyatt listed the tariff sections to be revised with this proposal. To view Mr. Wyatt's complete presentation, please see:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2014-02-19/Repowering%20ICAPWG%2014_02_19.pdf



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Proposed ICAP Buyer-Side Mitigation Modifications – Competitive Entry Exemption, Reliability Exemption, Muni Exemption and Offer Floor Change

Dr. Nicole Bouchez of the NYISO presented the proposal for exemptions to BSM in mitigated capacity zones. After considering stakeholder input on prior NYISO proposals, the NYISO is proposing to pursue:

- The CEE/Merchant Exemption that was developed in 2013 with the addition of permissible “non discriminatory” procurement processes (based on the PJM CEE),
- A Muni self supply exemption, and
- Increasing the default Offer Floor for units that have been determined to be not exempt from buyer-side mitigation.

Dr. Bouchez proceeded with a summary of the proposed Competitive Entry Exemption (CEE) design stating criteria required to receive an exemption from BSM. Dr. Bouchez detailed the CEE Exemption process and the penalty for a false certification. Summaries of the Reliability Exemption and the Muni Self Supply Exemptions were presented. The BSM Offer Floor modification would result in a change in the value used for Mitigation Net Cone which would be effective starting with Examined Facilities in the Class Year subsequent to the Class Year 2012. Dr. Bouchez received several stakeholder questions and comments and will post the tariff changes associated with the proposal as soon as practicable. The NYISO has scheduled a meeting for further discussion of this issue prior to the March BIC meeting. To view Dr. Bouchez’s complete presentation, please see:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2014-02-19/CompetitiveEntryExemption%20Feb%2019.pdf

Thursday, February 13, 2014

Joint Electric-Gas Coordination/Electric System Planning Working Group/Inter-regional Planning Task Force

EIPC Non-Grant Study

Zach Smith of the NYISO presented and led a discussion on comments received on the EIPC Non-Grant study. Comments were received from the New York Power Authority, New York State Department of Public Service and the New York State Energy Research and Development Authority regarding inclusion of the “TOTS” proposed transmission projects in the proposed Scenarios and Sensitivities. To view the specific comments received, please see:

http://www.nyiso.com/public/committees/documents.jsp?com=bic_egcwg&directory=2014-02-20

EIPC Gas-Electric Interface Study Target 2: Scenarios and Sensitivities

John Buechler of the NYISO presented a review of stakeholder input received in response to the January 23, 2014 presentation in reference to possible sensitivities. Mr. Buechler led a discussion on sensitivities including additional nuclear and coal retirements, various transmission proposals, extreme weather conditions, and high electric demand response



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assumptions. Other comments received concern adjusting the resource base to include resource changes that have occurred since the Roll-Up case was prepared. To see Mr. Buechler's complete presentation, including an updated schedule for the process, please see:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_egcwg/meeting_materials/2014-02-20/EIPC%20G%20E%20Study%20for%20Feb%2020%20IPTF%20EGCWG%20Final.pdf

FERC Filings

February 14, 2014

MISO, SPP, CAISO and NYISO late filed joint motion to intervene and comment in support of PJM request for clarification of order accepting NYISO's prohibited securities tariff language

FERC Orders

February 20, 2014

FERC conditionally accepting Tariff revisions regarding implementation of Coordinated Transaction Scheduling at the NYISO/PJM interface subject to a further compliance filing to establish the effective date

February 18, 2014

FERC letter order accepting compliance revisions regarding the applicability of shortfall provisions to all ICAP suppliers, external ICAP suppliers and RIPS and accepting the calculation of shortfalls using unforced capacity or installed capacity data

Link to FERC Filings and Orders:

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