



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

Consumer Interest Liaison Weekly Summary

March 3 – March 7, 2014

Notices:

- 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 April 1, 2014 FERC will host a technical conference to explore the impacts of recent cold weather events on the RTOs/ISOs, and discuss actions taken to respond to those impacts. The conference will look across multiple RTO/ISO regions to inform the Commission of the challenges posed by these cold weather events. Discussion will focus on a number of issues, including: the impact of cold weather events on operational planning and real-time operations, market prices and performance, and regional infrastructure; the actions taken in response to those impacts; gas procurement; and lessons learned that can be shared between regions and applied in future events. A supplemental notice will be issued prior to the technical conference with further details regarding the agenda and organization of the technical conference.
- For those interested in the March 28th IPSAC meeting, please visit the link below to register.
<http://www.pjm.com/committees-and-groups/stakeholder-meetings/stakeholder-groups/ipsac-ny-ne.aspx>

Committee: NY/NE IPSAC	Teleconference Passcode: 332134
Date of Meeting: Friday, March 28, 2014	WebEx Address: https://pjm.webex.com
Time of Meeting: 9:00 a.m. – 12:00 p.m.	WebEx Passcode: ips0328pjm
Location: CTC for PJM Staff only	Registration Status: OPEN
Attendance Options: teleconference	Registration Due Date: 03/27/2013
Teleconference Number: 866-398-2885	

- Due to a scheduling conflict, **the NYISO is changing the 2014 End Use Sector meeting date.** The new meeting date is **April 22, 2014**. The location of the sector meeting will remain at the same location, which is Holiday Inn – 205 Wolf Road, Albany, NY from 10 a.m. – 2:00 p.m. We apologize for the inconvenience. Please be sure to add this new date to your calendar as we look forward to having another successful discussion at your sector meeting.



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

Meeting Summaries:

Monday, March 3, 2014

Installed Capacity Working Group

Proposed ICAP Buyer-Side Mitigation (BSM) Modifications: Competitive Entry Exemption (CEE), Reliability Exemption, Muni Exemption and Offer Floor Change

Dr. Nicole Bouchez of the NYISO presented an update to the Competitive Entry Exemption portion of this proposal. Dr. Bouchez began the presentation by announcing that the NYISO would not be seeking a vote on the proposal in March, as originally anticipated. Regarding the CEE aspects of the proposal, Dr. Bouchez noted the "Non-Discriminatory" procurement process, generally based on the PJM tariff provisions for a similar CEE, would no longer be part of this proposal due to lack of stakeholder support. The NYISO plans to discuss a future ICAPWG meeting the Municipality self supply (Muni) exemption and the Reliability Exemption outlined and discussed at a prior ICAPWG meeting. Regarding the NYISO proposal to change the default Offer Floor, Dr. Bouchez explained that the mitigation evaluation test would not be changed and would continue to consider 75% of Mitigation Net Cone; however, the default Offer Floor would be raised to the lesser of 100% Mitigation Net Cone (currently 75%) and Unit Net Cone. Some stakeholders commented that a mitigation exemption for renewable resources should be considered at this time, as well as Muni, Co-op and Power Authorities. Dr. Bouchez responded by offering to discuss the issue internally within NYISO and bring a response to a future ICAP WG meeting. The NYISO was asked why Class Year 2012 was not included in this proposal and Dr. Bouchez responded by explaining that the Class Year 2012 study is already in process, but said she would note the comment. There was a discussion with stakeholders on units having contracts with entities outside of the NYCA. Dr. Bouchez stated the NYISO position is that outside entities do not have the motivation to artificially depress NYISO capacity prices and would not be considered in this proposal. Proposed tariff language was presented for Sections 25.2 and 25.4 of the tariff. Stakeholders asked that certain language in Section 25.4.5.7.6.1.2 be clarified for complete inclusion of all potential uneconomic arrangements. Dr. Bouchez committed to review that language and presenting potential changes at a future ICAP WG. Dr. Bouchez also indicated that the proposal may be submitted for governance approval with only the CEE and Offer Floor portion in April with the Muni and Reliability exemptions to follow at a later date. To review Dr. Bouchez's complete presentation along with the proposed tariff revisions, please see:

http://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=bic_icapwg

Proposed ICAP Buyer-Side Mitigation (BSM) Modifications: Repowering and Increased CRIS

Randy Wyatt of the NYISO presented an update on the Repowering and Increased CRIS proposal for BSM. Mr. Wyatt stated that several stakeholder comments regarding the reuse



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

of equipment would be addressed in the next ICAP WG meeting. Mr. Wyatt next presented a change to Section 23.4.5.7.7.1.1 clarifying that the written plan submitted by the generating unit has been evaluated by the NYISO, and based on the facts and circumstances then available, has been determined to not constitute physical withholding per section 23.4.5.6. Mr. Wyatt related another change, to Section 23.4.5.7.7.2.2.1, adding further definition for purposes of the Economic Viability Test (EVT) that the “avoidable costs” shall be the expenditures necessary to maintain the Exiting Capacity Facility (a) in operable condition in accordance with Good Utility Practice for the duration of the EVT Test Period, adding “(b) so that it is capable of generating and supplying electricity onto the NYCA system”. Mr. Wyatt displayed revisions to a chart comparing the Repowering Exemption criteria to Replacement treatment in the BSM evaluation, introduced at a prior ICAP WG meeting. The revisions refer to obtaining and releasing CRIS. The NYISO will bring this proposal to the next ICAP WG meeting for further discussion on previous stakeholder comments. To view Mr. Wyatt’s presentation including specific tariff language revisions, please see:

http://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=bic_icapwg

Tuesday, March 4, 2014

Market Issues/Price Responsive Load Working Group

Fractional MW Bidding for the DADRP and DSASP

Roger Kirkpatrick of the NYISO presented the proposal to allow the bidding of fractional megawatt values above one megawatt for DADRP and DSASP providers. Section 4.2.1.9 of the Services Tariff currently indicates that a Demand Side Resource must submit a bid for Demand Reduction in “whole” megawatts, notwithstanding the tariff revisions accepted by the Commission in Section 4.1.4, that indicates a resource is allowed to submit bids, above one megawatt, in tenths of a megawatt. The proposed tariff revisions align the offer requirements in Section 4.2.1.9 for Demand Side Resources participating in the DADRP or DSASP with the general offer and scheduling requirements in Section 4.1.4, which have been accepted by the Commission. The next step for this proposal will be a governance vote at the March BIC meeting. To see Mr. Kirkpatrick’s complete presentation, please see: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2014-03-04/Fractional%20MW%20Bidding%20Presentation%20_MIWG_PRLWG_final_02262014.pdf

Broader Regional Markets FERC Status Report

Mike DeSocio of the NYISO presented the FERC Status Report on Broader Regional Markets. FERC requires the NYISO to submit a report addressing:

- *the effects of the reforms on reducing congestion that results from loop flows and the costs associated with mitigating congestion;*



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

- *the effects of the implementation of the enhanced interregional transaction coordination initiative; and*
- *recommendations and analyses as to whether the buy-through congestion proposal is required, and if so, when it should be implemented*

The NYISO addresses several initiatives either implemented or in-progress, such as:

1. Interface Pricing Updates
2. Market-to-Market between NYISO and PJM
3. EITC between NYISO-HQT and NYISO-PJM
4. CTS between NYISO-ISONNE and NYISO-PJM
5. Interchange Optimization between PJM-MISO
6. Operation of MISO-IESO PARs

The NYISO is requesting more time to gain experience before issuing any recommendation for the Buy-Through of Congestion. The NYISO will continue to collect feedback from NYISO's neighbors and NERC in order to submit a completed report by March 19, 2014. To see the NYISO presentation on the Status Report, please go to:

[http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2014-03-04/BRM%20-%20FERC%20Status%20Report%20MIWG%2020140304%20\(Final\).pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2014-03-04/BRM%20-%20FERC%20Status%20Report%20MIWG%2020140304%20(Final).pdf)

CTS with PJM – JOA Updates

Mike DeSocio of the NYISO presented proposed revisions to the NYISO/PJM Joint Operating Agreement (JOA) regarding changes needed to implement the CTS with PJM project. In December 2013, NYISO and PJM each filed tariff revisions in support of CTS (Coordinated Transaction Scheduling). These filings obligated the NYISO and PJM to update the JOA regarding the interfaces that would be impacted by the CTS project by July 31. The NYISO and PJM are proposing to clarify the JOA by adding the definition of a CTS Interface Bid. NYISO and PJM are also proposing to add a new table in Schedule A of the JOA identifying CTS interfaces over which the RTOs are authorized to schedule CTS transactions. The NYISO anticipates requesting endorsement of the JOA updates at the March 12, 2014 BIC meeting. To see Mr. DeSocio's presentation, please see:

[http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2014-03-04/CTS%20with%20PJM%20-%20JOA%20Updates%20MIWG%2020140304%20\(Final\).pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2014-03-04/CTS%20with%20PJM%20-%20JOA%20Updates%20MIWG%2020140304%20(Final).pdf)

M2M Coordination: TSA Update and JOA Amendments

Dave Edelson of the NYISO presented an update of the JOA with PJM with regards to M2M coordination during Thunder Storm Alerts (TSA). NYISO & PJM have worked together to identify areas of improvement in managing the flows on the ABC, JK, and 5018 interfaces to address the large generation changes that occur during a TSA. NYISO & PJM are proposing new TSA operating requirements and TSA M2M Ramapo PAR settlement rules that encourage effective regional management of transmission system congestion while managing flows on these interfaces during a TSA. The overall philosophy of the proposed



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

changes is that as long as the TSA Operating Requirements are being followed (i.e. actions are being taken to maintain flows in southeast NY), then M2M Ramapo PAR settlements should not apply. Mr. Edelson presented the proposed TSA operating requirements for the ABC, JK and 5018 interfaces. Settlement rules for the Ramapo PAR during a TSA were clarified. The updates to the JOA will:

- Establish M2M Ramapo PAR settlement criteria during a TSA.
- Establish M2M operating requirements during a TSA.

Stakeholders questioned the NYISO on whether the PJM timeline (and their stakeholder process) could potentially delay this agreement from being updated in time for the upcoming thunder storm season. Mr. Edelson committed to getting an update from PJM and will inform NYISO stakeholders of PJM's timeline status at the upcoming BIC meeting. The objective for NYISO is to proceed through the governance structure and have this agreement implemented by June 2014. To see Mr. Edelson's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2014-03-04/M2M%20Coordination%20-%20TSA%20Settlements%20-%20MIWG%20Presentation.pdf

Comprehensive Shortage Pricing Review Update: Scarcity and Shortage Pricing

Ethan Avallone of the NYISO presented an update on the scarcity and shortage pricing review. Following the January 8, 2014 MIWG, the NYISO received several comments and concerns related to scarcity pricing. Based on this feedback, the NYISO proposes to work through the topics in the following order:

- *The implementation and triggering of scarcity pricing*
 - *Modeling scarcity in the optimization*
 - *What needs to change if scarcity is not moved into the optimization?*
- *Review the possibility for more granular Operating Reserve requirements*
- *Assess the type and amount of reserves procured for reserve regions*
 - *What are the response time (10 minute and/or 30 minute) needs for meeting of the reliability requirements established by an East and/or SENY reserve area?*
 - *b) What is the basis of the required MWs for a SENY reserve area? How does that change the required MWs for the East reserve area?*
- *The reserve demand curve MW and value set points*
 - *Review the Potomac Economics recommendation to raise the 30 minute demand curve to \$500*

Stakeholders asked if the magnitude and the cost of potential changes to Ranger would be considered in the review. Mr. Avallone explained that the costs would be discussed with stakeholders as the information becomes available. The NYISO anticipates the following timetable to present analysis and review recommendations as the review progresses:

- April 2014 -- Topic 1
- Early May 2014 -- Topic 2



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

- Late May 2014 -- Topics 3 and 4
- Governance vote at the June 2014 BIC

Comments and feedback are requested throughout the review process. To see Mr. Avallone's complete presentation, please see:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2014-03-04/Comprehensive%20Shortage%20Pricing%20Review_MIWG_Mar%20FINAL.pdf

Technical Bulletin 27 Update

James Pigeon of the NYISO presented an update to NYISO Technical Bulletin (TB) 27. Language has been added to clarify several E-Tag procedures. Mr. Pigeon also introduced language in TB27 stating:

- *"All OATI E-Tags created by PSEs shall be no longer than 31 days due to an OATI limit on E-Tag updates. If a new E-Tag is submitted with a duration longer than 31 days it will be DENIED. If an existing E-Tag is adjusted, and the adjustment makes an E-Tag longer than 31 days, that adjustment shall be DENIED.*
- *If an E-Tag has more than 2,995 updates (near the OATi limit of E-Tag updates of 3,000), the E-Tag Energy Profile MW will be curtailed to 0MW for its remaining duration by the NYISO."*

In response to a stakeholder question, Mr. Pigeon stated the 3,000 update limit is a requirement of the E-Tag Central Repository, not the NYISO. To see a redline version of the updated TB27, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2014-03-04/TB-027_Draft_02-24-14.pdf

Modification of DAM Submittal Deadline for Fuel Type/Price Changes on Generator Bid Forms

Giacinto Pascasio of the NYISO presented updates to the DAM submittal deadline for fuel type and price changes on the generator DAM bid forms. With the recent tariff amendments enabling a Day Ahead fuel type/price option, the NYISO determined that an additional 15 minutes is needed to recalculate references using the RLS-accepted fuel type/price change prior to sending the references to the Day-Ahead commitment software for market evaluation. To accommodate the additional 15 minute period, NYISO is proposing to require Generators using this optional functionality to submit fuel type/price changes with their DAM Bid by 4:45 am. Stakeholders requested a clarification of the rules and a more detailed presentation before submitting the proposal for governance action. The NYISO committed to post a more detailed presentation prior to the March BIC meeting for stakeholder review. To see Mr. Pascasio's presentation, please see:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2014-03-04/Modification%20of%20DAM%20Submittal%20Deadline_MIWG_03_04_2014.pdf



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

Winter 2013-2014 Cold Snap Operations

Wes Yeomans of the NYISO presented a summary of Operations during the five major “Cold Snaps” that extended across the country from mid-December, 2013 through January, 2014. The NYISO set a new winter all-time peak load on January 7, 2014 of 25,541MW.

Stakeholders observed the prior winter peak did not include a reduction in load through Demand Response resources, as this peak did. Mr. Yeomans explained that this period has been characterized by many days of natural gas prices exceeding the price of oil. It was pointed out that many gas-only generators were not economically selected due to the high price of natural gas but were able to secure gas in response to NYISO or TO requests for reliability operation. For each “Cold Snap” period, the NYISO monitored generator fuel inventories. The primary challenges for the period were evaluating generator fuel purchasing uncertainty and evaluating the accuracy of gas capability in the event oil deliveries were not made.

Stakeholders requested more detailed information such as the inclusion of a breakdown of generation by fuel type during the period and a breakdown of derates by fuel type. Mr. Yeomans responded that the NYISO was still gathering data and is striving for a complete report and analysis. Charts were supplied to display values such as derates, interchange and wind data during the period. A NYISO recommendation considers exploring fuel assurance market rule changes during cold weather conditions as well as implementing improvements to the seasonal and daily generation fuel inventory reporting requirements. NYISO will work with NY State regulatory agencies to develop a formal process for the NYISO to identify reliability needs that could be mitigated by generator requests for emissions-related waivers and/or fuel oil transportation. The NYISO committed to presenting a more complete report at a March 13, 2014 joint MIWG/EGCWG meeting. To see Mr. Yeomans’ presentation, please see:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2014-03-04/Winter%202013-1014%20NYISO%20Cold%20Snap%20Operations.pdf

FERC Filings

FERC Orders

March 4, 2014

FERC order accepting revised proxy bus pricing rules effective April 8, 2014, as requested, subject to a compliance filing to be made within 15 days to make minor corrections to Services Tariff Section 17.1.6.5

Link to FERC Filings and Orders:

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