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## NYISO Consumer Interest Liaison Weekly Summary

### November 24 – November 28, 2014

#### **Notices:**

- *Please note, the December 12 ICAP meeting will be held at The Desmond Hotel & Conference Center.*
- *The agenda for the December 12, 2014, ICAP Working Group meeting will include a discussion of issues related to the decision of the U.S. Court of Appeals for the D.C. Circuit regarding Order No. 745. Included in this agenda item will be a discussion of how the decision potentially applies to the NYISO markets and a presentation of potential market design concepts in the event that demand response in the capacity market is found to be non-FERC jurisdictional.*
- *The Redline and Clean versions of the Accounting and Billing Manual (M-12) have been posted to the [NYISO Manuals & Guides webpage](#) under the 'Manuals>Under Review' folder. All proposed changes were discussed at the 11/21/14 BAWG meeting in anticipation of the upcoming 12/10/14 BIC meeting.*

#### **Meeting Summaries:**

##### **Monday, November 17, 2014**

##### **Electric System Planning Working Group** **Transmission Security Cost Allocation**

Zach Smith of the NYISO presented a proposal to provide cost allocation for transmission projects that resolve transmission security violations on Bulk Power Transmission Facilities. As part of the October 2013 FERC compliance filing, a placeholder was inserted in tariff Section 31.5.3.2.1.4 stating that the NYISO “will address through its stakeholder process the development of a methodology to allow for the allocation of costs of transmission solutions to thermal or voltage security issues.” The NYISO is proposing to add a fourth step to the current reliability cost allocation methodology to allocate the costs of bulk thermal security (N-1-1) transmission solutions to those load zones and transmission customers which contribute to the thermal overload, based on their relative contribution. The NYISO will examine the development of specific cost allocation rules based on the nature of the reliability violation. Mr. Smith explained the concept that would determine how much each load contributes to the power flow on the overloaded element. Mr. Smith then described the steps in the method that would be used to calculate the allocation:



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1. Apply the most severe contingency pair to the model with associated optimized generator dispatch
2. Identify the contributing loads
3. Calculate the Transfer Distribution Factor (TDF)
4. Identify allocated loads
5. Calculate the allocated MW for each zone or subzone
6. Calculate the allocation for each zone or subzone

Mr. Smith introduced the equation that would determine the allocation using the information derived in the steps above. Examples will be presented at a future ESPWG to better illustrate the process. To see Mr. Smith's presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_espwg/meeting\\_materials/2014-11-24/TS\\_cost\\_allocation.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2014-11-24/TS_cost_allocation.pdf)

#### Update: Assessment of the Clean Power Plan Proposal

Peter Carney of the NYISO presented an update on the proposed comments that may be submitted in response to the Environment Protection Agency (EPA) Clean Power Plan (Plan). Mr. Carney explained that the NYISO has collaborated with several relevant parties on the Plan and determined that there are areas of the plan that the EPA should reconsider prior to moving forward. The first area of concern is reliability. In its current format, it is not feasible to achieve the State Rate Goal proposed by the EPA for New York State while continuing to maintain system reliability. The NYISO is recommending that the EPA consult with FERC and include a reliability analysis in the State Implementation Plan prior to finalization of the rule. Secondly, the Plan's "Building Blocks" need to be adjusted:

- The natural gas combined cycle plants in New York State cannot achieve the seventy percent of Nameplate Capacity Factor required by the Plan
- The "Building Blocks" do not allow the preservation of the use of the oil-gas steam fleet required to maintain electric system reliability
- The EPA should respect the RPS designs established by the individual states and adjust the incremental Renewable Energy (RE) requirement to account for NY's existing hydro power.
- In the alternative, EPA should set the RE requirement based on the alternative proposal to use the NREL study on technical and economic potential.
- The small amount of nuclear power included in the rate setting equation should be removed.
- New York should get credit for the estimated 9,272 cumulative GWH of Energy Efficiency measures already achieved in NYS

The third area of concern is in the Rate to Mass conversion methods. The two proposed approaches in the Plan do not appear equivalent to the goals the EPA has announced for the nation or for New York State. The comments are due to the EPA on December 1, 2014 with comments on the Supplemental Proposal due December 19, 2014. To see Mr. Carney's presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_espwg/meeting\\_materials/2014-11-24/Assessment%20of%20Clean%20Power%20Plan.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2014-11-24/Assessment%20of%20Clean%20Power%20Plan.pdf)



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## **FERC Filings**

November 25, 2014

NYISO filing of proposed amendments to its Services Tariff to clarify provisions regarding eligibility for Day Ahead Margin Assurance Payments (DAMAP) and Real-Time Bid Production Cost Guarantees (BPCG) for units that increase their minimum operating levels in real-time.

November 25, 2014

NYISO filing of MST and OATT revisions regarding the graduated transmission demand curve/transmission shortage costs

November 25, 2014

ISO/RTO Council comments regarding proposed changes to the gas operating day and scheduling practices used by interstate pipelines to schedule natural gas transportation service

November 25, 2014

NYISO amendment to 11/24/14 filing re: proposed tariff revisions to establish a distinct Credit Requirement for Projected True-Up Exposure.

November 24, 2014

Filed November 24, 2014 NYISO proposed tariff revisions to establish a distinct credit requirement for external transactions

## **FERC Orders**

There were no FERC Orders issued to the NYISO for this week

**Link to FERC Filings and Orders:**

[http://www.nyiso.com/public/markets\\_operations/documents/tariffviewer/index.jsp](http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp)