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# End Use Summary

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## June 18 – June 22, 2012

### Items of Interest

- The NYISO anticipates activating 15-minute scheduling of external energy transactions between NY and PJM at the PJM-Keystone Proxy on June 27<sup>th</sup>, 2012 commencing HB00:00. For more information please see the link below to the FERC Filing Regarding the Implementation of 15 minute variable scheduling at the Keystone Proxy Generator Bus (Docket No. ER11-2547-005).

[http://www.nyiso.com/public/webdocs/documents/regulatory/filings/2012/06/20120606\\_NYISO\\_EITC\\_PJM\\_Proxy\\_Cmplnc\\_Flng\\_-\\_complete.pdf](http://www.nyiso.com/public/webdocs/documents/regulatory/filings/2012/06/20120606_NYISO_EITC_PJM_Proxy_Cmplnc_Flng_-_complete.pdf)

### **Meeting Summaries:**

#### **Tuesday, June 19, 2012**

##### **Installed Capacity Working Group**

Buyer side mitigation Repowering Proposal

The NYISO presented the modified proposal to the Buyer side mitigation rules for repowered projects. The proposed modifications consisted of:

- Define repowering to be within the same site or within a pre-determined number of yards of the same site perimeter
- Reduce the economic viability test (EVT) from 6 years to 3 years
- Specify the coordination of the retirement of the existing facility and the repowering of that facility in the integrated repowering plan
- Tie the timing of the generator request for an evaluation as a repowering project to the class year study start date



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For more information please see the discussion material posted under the working group meeting date.

#### 2014 ICAP Demand Curve RFP Draft

The NYISO reviewed the RFP for the NYISO's ICAP Demand Curves.

#### New Capacity Zone Mitigation Proposal

The NYISO presented the revisions to the prior proposal and reviewed several scenarios of how the mitigation would apply to new projects within a newly defined capacity zone. Each scenario highlights a different situation to determine the "grandfather" provision from buyer-side mitigation.

#### Buyer Side Mitigation of Increased CRIS

The NYISO presented an example demonstrating the analysis of a project with partial CRIS rights awarded but has added capacity from an uprate.

### **Wednesday, June 20, 2012**

#### **Joint Operating/Business Issues Committee Meeting**

Please see the following final motions for the joint Operating and Business Issues meeting.

##### **Motion #1:**

##### **BIC Motion**

The Business Issues Committee ("BIC") recommends that the Management Committee recommend to the NYISO Board that it approve for filing at FERC the modifications to Sections 31.1, 31.2, 31.3, 31.4, 31.5, and 31.6 of the Open Access Transmission Tariff described in the presentation titled "Attachment Y Clean Up" and as presented at the June 20, 2012 BIC meeting.

*Motion passed with abstentions.*



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### **OC Motion**

The Operating Committee (OC) recommends that the Management Committee recommend to the NYISO Board that it approve for filing at FERC the modifications to Sections 31.1, 31.2, 31.3, 31.4, 31.5, and 31.6 of the Open Access Transmission Tariff described in the presentation titled "Attachment Y Clean Up" and as presented at the June 20, 2012 OC meeting.

*Motion passed unanimously with abstentions.*

### **Motion #2:**

#### **BIC Motion:**

The Business Issues Committee (BIC) recommends that the Management Committee approve the proposed changes to Con Edison's black start plan as described in the NYISO presentation made to the joint BIC/Operating Committee meeting on June 20, 2012.

### **Amendment to NYISO Blackstart Motion**

The NYISO blackstart motion is hereby amended as follows:

- Remove tariff language on PSC consent required to withdraw from blackstart
  - For new or repowered units, blackstart will be installed if (1) Con Edison study shows need and unless (2) the generator shows that the facility is not suitable to provide black start service.
  - After each blackstart test, generator will review performance and if appropriate develop a mitigation plan to address deficiencies observed. The generator would seek FERC approval for costs (and recovery period) in excess of proxy revenues.
  - If generator costs exceed appropriate proxy (with the exception of costs related to the performance mitigation plan), generator would seek FERC approval for cost-of-service rate.
  - Mothballed generators that return to service within 3 years must honor any remaining outstanding time in their commitment to provide service.
- More details on this amendment will be presented to the MC when it considers approval of changes to the blackstart tariff.



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*Motion passed with 74.9% affirmative votes.*

#### **OC Motion:**

The Operating Committee (OC) recommends that the Management Committee approve the proposed changes to Con Edison's black start plan as described in the NYSIO presentation made to the joint OC/Business Issues Committee meeting on June 20, 2012.

#### **Amendment to NYISO Blackstart Motion**

The NYISO blackstart motion is hereby amended as follows:

- Remove tariff language on PSC consent required to withdraw from blackstart
  - For new or repowered units, blackstart will be installed if (1) Con Edison study shows need and unless (2) the generator shows that the facility is not suitable to provide black start service.
  - After each blackstart test, generator will review performance and if appropriate develop a mitigation plan to address deficiencies observed. The generator would seek FERC approval for costs (and recovery period) in excess of proxy revenues.
  - If generator costs exceed appropriate proxy (with the exception of costs related to the performance mitigation plan), generator would seek FERC approval for cost-of-service rate.
  - Mothballed generators that return to service within 3 years must honor any remaining outstanding time in their commitment to provide service.
- More details on this amendment will be presented to the MC when it considers approval of changes to the blackstart tariff.

*Motion passed with 92.27% affirmative votes.*

### **Wednesday, June 20, 2012**

#### **Budget and Priorities Working Group**

##### **2012 Project Status Update**

The NYISO reviewed the status for the 2012 projects. The NYISO highlighted the 2012 project schedule milestones that shifted to 2013. The projects moved to 2013 are:

- Scheduling and Pricing Graduated Transmission Curve,
- Ancillary Services Mitigation,
- DSASP Direct Communication Phase II,
- Transaction Credit Enhancements,



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- HTP Controllable Tie Line,
- FERC Order 745 DARDRP, as the NYISO awaits for FERC's response to NYISO's August 2011 compliance filing.

### 2013 Project Candidates

The NYISO reviewed the potential project candidates for 2013 project list. The NYISO agreed to have the scopes for each projects for next BPWG meeting.

### 2012 Budget v. Actual

Although the month of May resulted in a \$200k over collection for Rate Schedule 1, the NYISO reported that the overall Rate Schedule 1 remains in a deficit with an under collection of \$1.5million. The NYISO reported that its Planning Department performed an analysis using the 80<sup>th</sup> percentile of the past 20 years of temperature data to provide insight into the potential RS 1 collection for the rest of the year. The analysis indicated that we would not achieve a full RS1 recovery. The NYISO stated that the current projection is based on a normal weather pattern for June - December.

### Proposal to Address Rate Schedule 1 Shortfalls

The NYISO stated that the Tariffs do not provide a mechanism to recover shortfalls in Rate Schedule 1 (RS1) revenue when actual MWh injections and withdrawals are less than forecasted. Currently, the year-to-date RS 1 shortfall is \$1.5 million through May with a projection of a total shortfall for 2012 of \$2.5 million - \$3 million. The NYISO also recovers RS1 revenue from customers based on their non-physical transactions: virtual trading, Transmission Congestion Contracts and Special Case Resource activity. The Total RS1 revenue recoveries from non physical market activity are estimated at \$8 million annually. The NYISO proposed to use the collection from the non-physical market activity to offset the potential shortfalls in the RS 1 revenue from the physical market. The NYISO indicated this would require a change to the Tariff. The NYISO also stated that the non-physical RS 1 revenue would only be used to offset the shortfalls between the annual RS 1 budget and the actual RS 1 revenue recovered from the physical market activity. This money would not be used to cover any NYISO budget over-runs, nor would it be carried over from year to year. The NYISO proposed to refund funds collected from non-physical market activity to customers with physical market activity, to the extent they were not used to



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cover ISO revenue shortfalls, on a load ratio share basis. The next step is to take this proposal to the July Management Committee meeting for vote.

### **Thursday, June 21, 2012**

#### **Market Issues Working Group/Price Responsive Load Working Group** **Western Zone Constraint Modeling Update**

The NYISO provided an update on the improved constraint modeling of the West zone 230kV transmission system in the Day Ahead and Real time markets effective May 16, 2012. The modeling changes were primarily to represent the expected constraint on the Niagara –Packard #62 230 kV line. The NYISO also highlighted the factors that affect the modeling of facilities in the market models.

#### **Minimum Oil Burn Provisions Based on Rate of Change Requirements**

NYPA, a NYISO market participant and committee member, presented recommendations regarding amendments needed to minimum oil compensation to include units with auto-swap capability. These units may experience eligible costs when burning the alternate fuel if the auto fuel swap is triggered at gas pressures above those with which the plant was originally designed while the gas system remains operational. Con Edison is requiring a rate-of-change auto-swap setting that may cause swaps to occur when they otherwise would not have at the plant's original auto-swap pressure setting. The proposed next step in the process is for NYISO to prepare and present tariff language to adopt this consideration at the July 3 MIWG meeting.

#### **DSASP – Ancillary Services Manual/Tariff Review**

The NYISO presented the ancillary service manual changes and corresponding tariff language regarding the inclusion of aggregated participation in the NYISO's DSASP program.

#### **Autumn 2012 Centralized TCC Auction Survey and Discussion**

The NYISO reviewed the results of the survey used to poll market participants about the demand for TCCs of various durations in future auctions. The next step is to discuss with transmission owners the proposed auction plans with fewer than eight rounds. This is planned to be discussed at the July BIC meeting.



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### MMA Reference Level Manual

The NYISO presented the MMA Reference Level Manual. This is product of the MMA Reference Level task force which met in the first two quarters of 2012.

### **Friday, June 22, 2012**

#### **Operating Committee**

Please see the following final motions for the Operating Committee meeting.

#### **Motion #1:**

Motion to approve the Minutes of the April & May OC meetings.

*Motion passed unanimously.*

#### **Motion #2:**

The Operating Committee (OC) hereby approves revisions to 2012 Summer Operating Study as presented and discussed at June 22, 2012 Operating Committee meeting.

*Motion passed unanimously with an abstention.*

## **FERC Filings**

**June 18, 2012** –NYISO letter informing FERC of a delay in variable scheduling at PJM Keystone Proxy Generator Bus. Docket No ER11-2547-005.

June 25, 2012 – NYISO filing of an Amended and Restated Large Generator Interconnection Agreement among the NYISO, NYPA and Marble River. Docket No. ER12.

June 25, 2012 – NYISO filing of a Request for a Rehearing of FERC's May 24, 2012 Order regarding TC Ravenswood's Black Start Rate Schedule. Docket No. ER12-1418-000.

## **FERC Order**

June 22, 2012 – FERC order granting in part and denying in part a third party complaint v. NYISO regarding implementation of buyer-side market power mitigation tariff provisions. Docket NO EL11-42-000.



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