

Update: Assessment of the Clean Power Plan Proposal

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Agenda

- ◆ Schedule
- ◆ Assessment Coordination
- ◆ Focus Areas
 - *Reliability*
 - *Building Block Adjustment*
 - *Rate to Mass Conversion Methods*

Schedule

- ◆ **Comments due to EPA December 1**
- ◆ **Comments on Supplemental Proposal due December 19**

Assessment Collaboration

- ◆ **Meetings with:**
 - *ESPWG*
 - *EPA*
 - *NYSDEC*
 - *NYSDPS*
 - *NYSERDA*
 - *TOs*
 - *ISO/RTO Council*
- ◆ **NYISO thoughts are generally aligned with comments from these groups.**

Focus Area 1 Reliability

- ◆ **There is no feasible plan to achieve the State Rate Goal proposed for NY.**
- ◆ **Electric system reliability will be threatened unless the targets are modified.**
- ◆ **EPA should consult with FERC to examine the electric system reliability impacts of the proposal prior to finalization of the rule.**

Focus Area 1 Reliability (cont.)

- ◆ **The rule needs to include a “reliability safety value” to maintain electric system reliability.**
- ◆ **State Implementation Plans should be required to include a reliability analysis.**

Focus Area 2 Adjust Building Block Assumptions

- ◆ **The Clean Power Plant is inequitable in its treatment of NY, therefore EPA should adjust the targets and schedules of the CPP.**
- ◆ **The design of the Building Blocks (BB) does not account for specific reliability requirements of the NY electric system.**

Focus Area 2 Adjust the Building Blocks

- ◆ **BB2:**

- *The NGCC fleet can not achieve a 70% Nameplate Capacity Factor. Recent experience shows 46% is the highest CF achieved across a twelve month period of low gas prices.*
- *This BB needs to be adjusted to preserve the use of NY's oil-gas steam fleet to maintain electric system reliability.*

Focus Area 2 Adjust the Building Blocks

◆ **BB3:**

- *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.*

Focus Area 2 Adjust the Building Blocks

◆ **BB4:**

- *NY should get credit for the Energy Efficiency measures already achieved. NYS estimates 9,272 cumulative annual GWH of energy efficiency have been achieved.*

Focus Area 3 Rate to Mass Conversion Methods

◆ **Technical Support Document released Nov. 6**

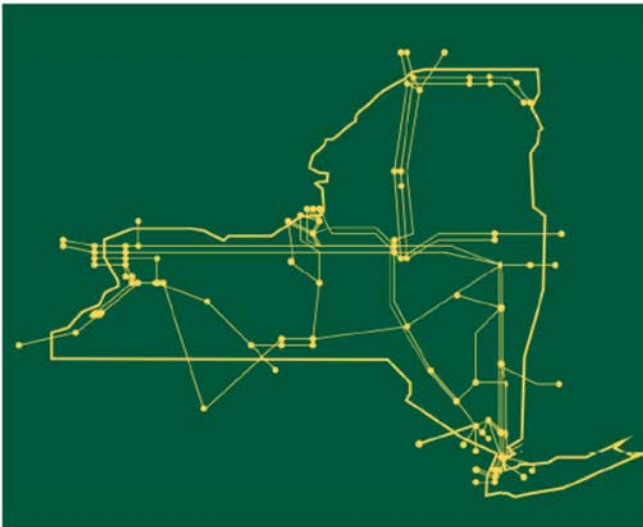
- *Two illustrative calculation-based approaches are described, both of which change the use of the rate setting equation and therefore yield far fewer tons of CO₂ available to operate the system with.*
- *Approach a. applies to existing affected fossil fueled EGUs*
- *Approach b. also includes new NGCCs with a small allowance for growth*

Focus Area 3 Rate to Mass Conversion Methods

◆ **Technical Support Document (cont.)**

- *EPA announced the CPP with the goal to reduce CO₂ emissions from existing power plants by 30% by 2030*
- *EPA's analysis of the rule shows a 35% reduction using the State Rate Goal*
- *EPA's analysis of the proposed rate to mass conversion shows a 50% reduction nationally and 71% for NY*
- *It is apparent the methods are not equivalent.*

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.



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