



Generator Deactivation Assessment Auburn Landfill Gas Generating Facility

January 31, 2017

Purpose

On November 17, 2016, Innovative Energy Systems, LLC submitted a Generator Deactivation Notice for the proposed retirement of the Auburn LFGE (“Auburn” or “Generator”) to the New York Independent System Operator, Inc. (“NYISO”). Innovative Energy Systems, LLC reported that it intends to deactivate the 2.1 MW Generator before November 17, 2017.

The NYISO determined Innovative Energy Systems, LLC’s Generator Deactivation Notice to be complete on December 15, 2016, which is the Generator Deactivation Assessment Start Date. Pursuant to proposed Section 38.3.4.3 of the NYISO Open Access Transmission Tariff (“OATT”),¹ the NYISO performed, in coordination with New York State Electric and Gas Corporation (“NYSEG”), resource adequacy and transmission security analyses of the New York Control Area (“NYCA”) system to determine whether a Generator Deactivation Reliability Need (“a Need”) would result from the deactivation of Auburn. The NYISO and NYSEG timely completed this analysis within the 90-day period starting from Generator Deactivation Assessment Start Date (by March 15, 2017). The Generator Deactivation Process ends if the assessment does not identify a Need or if the reliability need can be timely addressed during the next Reliability Needs Assessment in the NYISO’s biennial reliability planning process. If the NYISO finds a Need, then the NYISO follows the process for soliciting and selecting a solution stated in proposed Sections 38.3.5 – 38.10.5 of the OATT. As further detailed below, this analysis does not identify a Need for the 2017-2022 study period.

Assumptions

The NYISO evaluated the period five years from the conclusion of the 365-day notice period (December 15, 2017 – December 15, 2022) (the “Study Period”) using the most recent reliability planning process base case², with the load forecast consistent with the 2016 Load and Capacity Data Report (“Gold Book”)³. This assessment assumes that generators are out of service if they are currently mothballed (including those in a Mothball Outage state), in an ICAP Ineligible Forced Outage (“IIFO”) state, or have issued a notice of intent to mothball or retire.

Findings

The resource adequacy of the overall NYCA system is evaluated per the one-day-in-ten-years (0.1 per year) Loss of Load Expectation (LOLE) criterion, which measures the probability of disconnecting

¹ The NYISO filed revisions to its Generator Deactivation Process at the Federal Energy Regulatory Commission (“Commission”) on September 19, 2016 with a requested effective date of October 20, 2015. The NYISO is administering this process in accordance with its filed tariff revisions pending acceptance by the Commission.

² The 2016 Reliability Needs Assessment (RNA) base case is the most recent reliability planning process base case.

³ The Auburn Generator Deactivation Assessment utilized the 2016 Gold Book baseline summer peak load forecast.

firm load due to a resource deficiency.⁴ The NYISO reviewed the 2016 Reliability Needs Assessment results and determined that, with the 2.1 MW retirement, the system will continue to be well within the LOLE criterion throughout the Study Period.

Additionally, the NYISO performed a transmission security assessment for the Bulk Power Transmission Facilities (BPTFs) and NYSEG performed a transmission security assessment of their non-BPTFs. The NYISO reviewed and verified the analysis performed by NYSEG. No transmission security-related Need was identified in the Study Period. This assessment is based on the final 2016 RNA Base Cases with the only modification being the removal of Shoreham GT 3 and 4.

Conclusions

This analysis does not identify any resource adequacy or transmission security-related Need due to the deactivation of Auburn for the Study Period. Therefore, Innovative Energy Systems, LLC may deactivate the Generator on December 15, 2017 or on an earlier date in accordance with Section 38.3.6 of the OATT (which date may not be earlier than 91 days after the December 15, 2016 Generator Deactivation Assessment Start Date, or March 16, 2017), and after it completes all required NYISO administrative processes and procedures. The NYISO's determination in this Generator Deactivation Process does not relieve Innovative Energy Systems, LLC of any obligations it has with respect to its participation in the NYISO's markets. If Innovative Energy Systems, LLC rescinds its Generator Deactivation Notice or does not deactivate the Generators by December 15, 2018, then it will be required to submit a new Generator Deactivation Notice in order to deactivate the Generators, and will also be required to repay study costs in accordance with proposed Section 38.14 of the OATT. This concludes the Generator Deactivation Process.

⁴ See R4 of the Northeast Power Coordinating Council, Inc. (NPCC) Regional Reliability Reference Directory #1; Section A-R1 of the New York State Reliability Council, L.L.C. (NYSRC) Rules.