



Generator Deactivation Assessment Selkirk I and Selkirk II

**A Report by the
New York Independent System Operator**

April 27, 2018

Purpose

On February 15, 2018 the New York Independent System Operator, Inc. (“NYISO”) determined that Selkirk Cogen Partners, LP (“SCP”) had submitted a complete Generator Deactivation Notice for the proposed retirement of the Selkirk Units 1 & 2 (individually, “Selkirk 1” and “Selkirk 2,” respectively, and collectively, “Selkirk” or “Generators”). SCP reported that it intends to deactivate the 107.2 MW (nameplate) Selkirk 1 unit and the 338.8 MW (nameplate) Selkirk 2 unit on or about May 17, 2018.

Pursuant to Section 38.3.4.3 of the NYISO Open Access Transmission Tariff (“OATT”), the NYISO performed resource adequacy and, in coordination with National Grid, LLC (“National Grid”), 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 Selkirk. The NYISO and National Grid timely completed this analysis within the 90-day period starting from February 15, 2018, which is the Generator Deactivation Assessment Start Date (by May 16, 2018). 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 Sections 38.3.5 – 38.10.5 of the OATT.

Assumptions

The NYISO evaluated the period five years from the conclusion of the 365-day notice period (February 15, 2019 – February 15, 2024) (the “Study Period”) using the most recent reliability planning process base case. Accordingly, the NYISO removed Greenport GT1, Binghamton Power Plant, Indian Point 2, Indian Point 3, and Ravenswood GT9 in accordance with NYISO procedures. The NYISO used the load forecast consistent with the 2017 Load and Capacity Data Report (“Gold Book”)¹. In accordance with the Reliability Planning Process base case inclusion rules², generation

¹ This Selkirk Generator Deactivation Assessment utilizes the 2017 Gold Book baseline summer peak load forecast.

² NYISO Reliability Planning Process Manual, April 1, 2016

and transmission projects are added to the base case if they have met significant milestones such that there is a reasonable expectation of completion of the project. There are three major generation facilities currently under construction that were included in the base case for this assessment: Bayonne Energy Center II Uprate (Zone J, 120 MW), CPV Valley Energy Center (Zone G, 678 MW), and Cricket Valley Energy Center (Zone G, 1,020 MW).

Consistent with the NYISO's obligations under its tariffs, the NYISO provided stakeholders within its shared governance process information on the modeling assumptions employed in conducting this assessment. Details on the study assumptions were originally reviewed with stakeholders at the March 13, 2018 joint Electric System Planning Working Group/Transmission Planning Advisory Subcommittee. (ESPWG/TPAS). The meeting materials are posted on the NYISO's public website³.

Findings

This assessment finds that reliability criteria would be met without Selkirk throughout the Study Period under the assumed and forecasted base case system conditions. The NYISO assessed the resource adequacy of the overall NYCA system, per the one-day-in-ten-years (0.1 per year) Loss of Load Expectation ("LOLE") criterion, which measures the probability of disconnecting firm load due to a resource deficiency. This assessment finds that without Selkirk the resource adequacy criterion is met throughout the Study Period.

Additionally, the NYISO performed a transmission security assessment for the Bulk Power Transmission Facilities ("BPTF") and National Grid performed a transmission security assessment of its non-BPTFs. The NYISO reviewed and verified the analysis performed by National Grid. Without Selkirk, no transmission security-related Need was identified in the Study Period.

Conclusions

³ http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2018-03-13/Selkirk_GDA_Key_Assumptions_.pdf

This assessment does not identify a Generator Deactivation Reliability Need following the deactivation of Selkirk for the Study Period.

Selkirk Cogen Partners, LP has satisfied the applicable requirements under the NYISO's Generator Deactivation Process to retire the Generators on or after its requested deactivation date.⁴ This concludes the Generator Deactivation Process.

⁴ Selkirk Cogen Partners, LP must complete all required NYISO administrative processes and procedures prior to deactivation. The NYISO's determination in this Generator Deactivation Process does not relieve Selkirk Cogen Partners, LP of any obligations it has with respect to its participation in the NYISO's markets. If Selkirk Cogen Partners, LP rescinds its Generator Deactivation Notice or does not deactivate Selkirk Unit 1 and Unit 2 between May 17, 2018 and May 17, 2019, 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 Section 38.14 of the OATT.