



Generator Deactivation Assessment Shoreham GT3&4 Generating Facility

November 16, 2016

Purpose

On August 13, 2016, J-POWER USA Generation, L.P. (“J-POWER”) submitted a Generator Deactivation Notice for the proposed retirement of the Shoreham GT3&4 (“Shoreham” or “Generators”) to the New York Independent System Operator, Inc. (“NYISO”). J-POWER reported that it intends to deactivate the two 51 MW Generators on August 13, 2017.

The NYISO determined J-POWER’s Generator Deactivation Notice to be complete on August 26, 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 Long Island Power Authority (“LIPA”), 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 Shoreham. The NYISO and LIPA timely completed this analysis within the 90-day period starting from Generator Deactivation Assessment Start Date (by November 24, 2016). 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 (August 26, 2017 – August 26, 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 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.⁴ This assessment is based on the final 2016 RNA

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 Shoreham Generator Deactivation Assessment utilized the 2016 Gold Book baseline summer peak load forecast.

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.

Base Cases with the only modification being the removal of Shoreham GT 3 and 4, and finds that the resource adequacy criterion is met throughout the Study Period.

Additionally, the NYISO performed a transmission security assessment for the Bulk Power Transmission Facilities (BPTFs) and LIPA performed a transmission security assessment of their non-BPTFs. The NYISO reviewed and verified the analysis performed by LIPA. No transmission security-related Need was identified in the Study Period. As part of the assessment, the NYISO and LIPA also studied the transient voltage stability recovery in the LIPA area. The NYISO reviewed and verified the analysis performed by LIPA. No stability-related Need was identified in the Study Period.

Conclusions

This analysis does not identify any resource adequacy or transmission security-related Need due to the deactivation of Shoreham GT3&4 for the Study Period. Therefore, J-POWER may deactivate the Generators on August 26, 2017 or on an earlier date in accordance with Section 38.3.6 of the OATT, after it completes all required NYISO administrative processes and procedures. The NYISO's determination in this Generator Deactivation Process does not relieve J-POWER of any obligations it has with respect to its participation in the NYISO's markets. If J-POWER rescinds its Generator Deactivation Notice or does not deactivate the Generators by August 26, 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.