



Generator Deactivation Assessment Somerset

A Report by the
New York Independent System Operator

March 4, 2020

Purpose

On December 12, 2019 the New York Independent System Operator (“NYISO”) determined that Somerset Operating Company, LLC (“Somerset Operating Company”) had submitted a complete Generator Deactivation Notice¹ for the proposed retirement of the Somerset generator (“Somerset”). Somerset Operating Company reported that it intends to deactivate the 675 MW Generator on or before February 15, 2020.

Pursuant to Section 38.3.5 of the NYISO Open Access Transmission Tariff (“OATT”), the NYISO performed resource adequacy and, in coordination with National Grid, LLC (“National Grid”), New York State Electric and Gas (“NYSEG”), Rochester Gas and Electric (“RG&E”), and the New York Power Authority (“NYPA”), transmission security analysis of the New York Control Area (“NYCA”) system to determine whether a Generator Deactivation Reliability Need (a “Need”) would result from the deactivation of Somerset. The NYISO, along with Transmission Owners National Grid, NYSEG, RG&E, and NYPA timely completed this analysis within the 90-day period starting from December 12, 2019, which is the Generator Deactivation Assessment Start Date (by March 11, 2020). The Generator Deactivation Process ends if the assessment does not identify a Need or if the 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 38.3.6 – 38.10.5 of the OATT.

Assumptions

The NYISO evaluated the period five years from the conclusion of the 365-day notice period (December 12, 2020 – December 12, 2025)(the “Study Period”) using the most recent Reliability Planning Process base case. The NYISO used the load forecast consistent with the 2019 Load and Capacity Data Report (“Gold Book”)². In accordance with the Reliability Planning Process base case inclusion rules³, generation 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.

¹ Capitalized terms that are not defined herein have the meaning specified in Attachment FF (Section 38) or Attachment Y (Section 31) of the NYISO’s Open Access Transmission Tariff (“OATT”).

² This Somerset Generator Deactivation Assessment utilizes the 2019 Gold Book baseline summer peak load forecast.

³ NYISO Reliability Planning Process Manual, December 12, 2019. *See:*
https://www.nyiso.com/documents/20142/2924447/rpp_mnl.pdf

This assessment used the major assumptions included in the 2018 Reliability Needs Assessment (“RNA”) and in the 2019-2028 Comprehensive Reliability Plan.

Consistent with the NYISO’s obligations under its tariffs, the NYISO provided stakeholders in its shared governance process information on the modeling assumptions employed in this assessment. Details on the study assumptions were reviewed with stakeholders at the January 23, 2020 Electric System Planning Working Group. The meeting materials are posted on the NYISO’s public website⁴.

Findings

This assessment finds that reliability criteria would be met without Somerset in-service 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 Somerset 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, NYSEG, RG&E, and NYPA performed a transmission security assessment of their non-BPTFs. The NYISO reviewed and verified the analysis performed by National Grid, NYSEG, RG&E, and NYPA. Without Somerset in-service, no transmission security-related Need was identified in the Study Period.

Conclusions

This assessment does not identify a Generator Deactivation Reliability Need following the retirement of Somerset for the Study Period. Somerset Operating Company has satisfied the applicable requirements under NYISO’s Generator Deactivation Process to retire the Generator on or after March 12, 2020.⁵ This concludes the Generator Deactivation Process.

⁴ https://www.nyiso.com/documents/20142/10418770/Somerset_KeyAssumptions.pdf

⁵ Somerset Operating Company must complete all required NYISO administrative processes and procedures prior to deactivation. The NYISO’s determination in this Generator Deactivation Assessment does not relieve Somerset Operating Company of any obligations it has with respect to its participation in the NYISO’s markets. If Somerset Operating Company rescinds its Generator Deactivation Notice or does not deactivate Somerset by December 11, 2021, then it will be required to submit a new Generator Deactivation Notice in order to deactivate the Generator, and will also be required to repay study costs in accordance with Section 38.14 of the OATT.