



**NY Power
Authority**

Marcy South Series Compensation Facilities Charge

June 23, 2017



I.

MSSC Project Overview



- **Developed by NYPA and NYSEG**
- **NYSEG currently receiving cost recovery**
 - **NYPA calculates its revenue requirement on historical costs, and therefore is only adding MSSC to its ATRR beginning July 1, 2017**
- **Cost-effective way for increasing the amount of power that can be transferred along existing transmission lines from upstate generators to meet the downstate need, without building new lines**
- **Facilitates better utilization of Marcy South Transmission Lines**
- **Aids in relieving congestion in region**
- **Commenced operations in June 2016**
- **Added 400MW+ of transmission capability**
- **Brings upstate energy from clean, renewable sources**



Model.mp4

<https://www.youtube.com/watch?v=WHz7nPGc3qE>



II.

Marcy South Series Compensation Facilities Charge

- **Schedule 15 and 14.2.3.2 NYPA Formula Rate Implementation Protocols of the NYISO OATT - Rate Mechanism for the recovery of the Marcy South Series Compensation Facilities Charge (“MSSCFC”)**
- **“The ISO will not collect the MSSCFC from LSEs under this Schedule 15 unless and until the Commission issues an order approving a settlement in Docket No. ER15-572-000 that includes the cost allocation described in Section 6.15.3.7”**
 - **Approved in March 2016**
- **MSSC annual revenue requirement (“ARR”) of \$7.21 million is stated on line 11a of the Summary page of NYPA’s Annual Transmission Revenue Requirement (“ATRR”) Template, effective from July 1, 2017 through June 30, 2018**

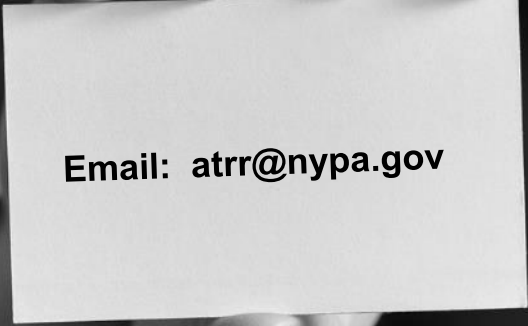
- **MSSCFC accounts for NYPA's MSSC ARR, future incremental TCC revenues and outage costs**
- **MSSCFC to be allocated to the transmission districts**
- **Cost allocation:**

Transmission District	Allocation ** %	Allocation * \$
ConEd/O&R	63.18%	\$4,553,648
LIPA	8.55%	\$616,234
Niagara Mohawk	12.16%	\$876,422
NYG&E/RG&E	10.12%	\$729,391
Central Hudson	5.99%	\$431,724
	100.0%	\$7,207,420

**MSSC ARR estimated at \$7.21M; No future Incremental TCC revenues or outage costs are assumed*

***NYPA customers pay the rate per the transmission district where they are located*

- **ARR to be posted on the NYISO website by July 1st of every year**
- **ARR will reflect O&M expense, rate base, and capital structure**
- **ARR will reflect annual true-up**
- **ARR shall be subject to review, challenge, and true-up refunds or surcharges, as provided for in the protocols**
- **NYPA required to have NYISO post on its website time, date, and location of Open Meeting for stakeholders and interested parties to seek information and clarification. This year's Open Meeting will be at 10:00 AM, July 24th at NYPA's office in White Plains**



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III. Questions?