

Black Start Tariff Review

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Black Start Task Force

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Background

- ◆ In August 2012, the NYISO submitted changes in Rate Schedule 5 of the Market Services Tariff regarding Con Edison's local black start plan
 - *In the filing letter, the NYISO committed to a review of the changes to the black start program approximately one year after the effective date of the new provisions*
- ◆ Today's discussion begins that review

Background

- ◆ FERC accepted the tariff changes with an effective date of November 1, 2012
- ◆ All resources that were participating in Con Edison's local black start plan under NYISO's tariff chose to provide service under the new tariff provisions, rather than continuing under the prior provisions

Purposes

- ◆ The stated purposes of the tariff review are to:
 - *determine the effectiveness of the revisions in ensuring a robust Con Edison local black start plan, and*
 - *examine what, if any, further revisions to the tariff language or additional action may be required*

Major Tariff Provisions

- ◆ Changes were made to Rate Schedule 5 in the following areas
 - *Test Procedures*
 - *Test Scheduling*
 - *Commitment Period*
 - *Program Participation*
 - *Compensation*

Test Procedures

- ◆ **Tariff changes:**
 - *30 days to remedy a failed test*
 - *Gas turbine testing removed requirement to start a second unit for stand-alone black start resources*
 - *Combined cycle testing requirements added*
 - *Steam unit comprehensive test, including fire in the boiler and synchronization to the transmission system, required once every three years, and intervening years test required in other years*

Test Procedures

◆ Experience:

- *There were no failed tests*
- *One half of the gas turbine tests were conducted using stand-alone resource protocols*
- *No combined cycle tests were conducted*
- *All steam turbines qualified for and were tested using intervening year test protocols*

Test Scheduling

◆ Tariff change:

- *Test period extended to May through April, except no test may be performed in June, July and August*

◆ Experience:

- *All tests for 2013-2014 were conducted in the previously defined November to April test period or the allowable one-month extension, since the tariff was not effective until November 1, 2012*
- *No 2014-2015 tests were requested for May, September or October*

Commitment Period

◆ Tariff changes

- *Staggered commitment periods*
- *Increased notification of withdrawal to two years*

◆ Experience

- *Generator Owners, Con Edison and NYISO agreed on commitment periods for each black start resource*
- *Two-year notice for the first commitment group would have been required by April 30, 2013; no withdrawal notices were received*

Program Participation

◆ Tariff changes

- *New or repowered units that Con Edison identifies as providing material benefit will be required to have black start capability and provide black start service*

◆ Experience

- *Con Edison has not indicated to the NYISO that any new or repowered units have been identified*

Compensation

◆ Tariff changes

- *Proxy compensation is based on the size of the unit providing black start service and the configuration of the black start equipment*
- *CIP costs can be recovered incrementally to proxy payments*
- *Unit-specific costs can be filed at FERC if proxy costs are non-compensatory*

Compensation

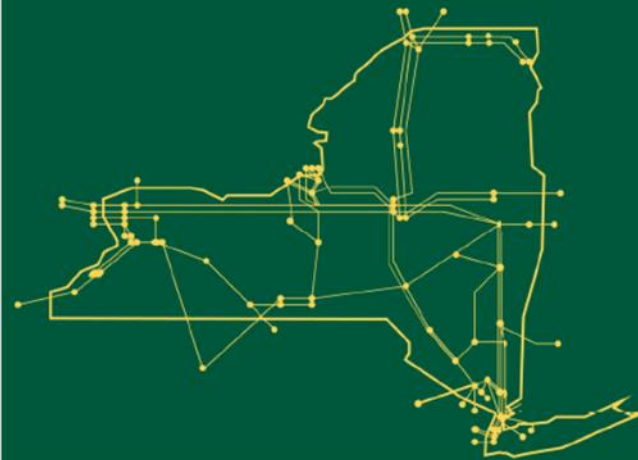
◆ Experience

- *Proxy payments were determined and then adjusted in accordance with the Handy-Whitman index for gas turbogenerators for the November 2012 through April 2013 compensation period, and then again for the May 2013 through April 2014 compensation period*
- *No requests for CIP cost compensation have been received*
- *No providers have submitted unit-specific costs*

Next Steps

- ◆ Collect input from today's discussion and written comments provided to Debbie Eckels by December 6, 2013 at deckels@nyiso.com
- ◆ Return for a follow-up discussion in early January

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