

NYISO
Business Issues Committee
2/25/18

Dear Deborah Eckels,

Recently, NYISO has considered elimination of the G-J Locality. I am writing to support this proposal for several reasons. First, elimination of the special G-J capacity zone combined with simultaneous enlargement of the ROS (rest-of-state) zone would recognize the changing character of electricity generation in NY. As NYISO itself has acknowledged, this trend means that grid reliability and power will increasingly depend on distributed (not centralized) generation and will no longer require the subsidized construction of large power plants.

Cricket Valley Energy (CVE/CVEC), currently constructing a \$1.5B power plant to generate 1100MW in Dover, NY, has objected to the NYISO proposal. CVEC states that elimination of the G-J Locality capacity zone will cause unreasonable financial hardship for CVEC. CVEC's comments state that elimination of the G-J Locality would place the CVEC facility into the ROS zone, which currently has significantly lower capacity prices. The CVEC facility is projected to go on line in 2020, less than two years prior to NYISO's potential elimination of the G-J Locality. Elimination of the G-J Locality and putting CVEC in the ROS so soon after CVEC's commercial operation date would create a material financial hardship on CVEC by reducing cash flows well below those forecasted on the basis that the G-J Locality would remain in place.

Second, I must point out that while CVE's concern over investor confidence and return is understandable, it is not NYISO's role to protect private investors. NYISO's elimination proposal correctly puts the concerns of rate-payers first.

NYISO 2017 Power Trends states specifically, expansion of the New York transmission system in the St. Lawrence to Marcy corridor would allow developers of renewable resources to provide additional output onto the high-voltage system for delivery to consumers in downstate New York. Based upon the NYISO's experience, high-voltage transmission in the northern corridor would unbottle the hydroelectric generating capacity in that region, allowing that existing capacity to operate at its full output while simultaneously allowing for the delivery of other renewable resources to consumers in the eastern and southern load centers of New York State.

As planned, needed, transmission upgrades occur to bring power to downstate regions, the rationale for, and return-on-investment of, CVEC must be compromised. But as I have stated, NYISO's proper role is in the intelligent, reliable, and cost-effective management of the power grid for NYS ratepayers. It is not NYISO's role to design or

maintain a grid to protect private investors in an unnecessary power plant. I hope you will move forward with the proposed elimination of the G-J locality.

Please work for citizens and put us first, instead of industry. Thank you.

Respectfully,

Susan Zeitler

Hello,

It would be very helpful to my electric bill if the proposal to eliminate Zone G in NY were passed so that consumers receive fair energy prices.

Thank you,
Diane McCarthy

NYISO

Business Issues Committee

February 26, 2018

Dear Deborah Eckels,

I am writing in support of NYISO's proposed elimination of the G-J locality. As a resident of Peekskill, NY I am well aware that the closure of Indian Point has the potential to raise energy costs. Eliminating the G-J locality could help rate payers from rising energy costs as renewable energy sources come on line and Indian Point shuts down.

Recently, NYISO has considered elimination of the G-J Locality. I am writing to support this proposal for several reasons. First, elimination of the special G-J capacity zone combined with simultaneous enlargement of the ROS (rest-of-state) zone would recognize the changing character of electricity generation in NY. As NYISO itself has acknowledged, this trend means that grid reliability and power will increasingly depend on distributed (not centralized) generation and will no longer require the subsidized construction of large power plants.

Cricket Valley Energy (CVE/CVEC), currently constructing a \$1.5B power plant to generate 1100MW in Dover, NY, has objected to the NYISO proposal. CVEC states that elimination of the G-J Locality capacity zone will cause unreasonable financial hardship for CVEC. CVEC's comments state that elimination of the G-J Locality would place the CVEC facility into the ROS zone, which currently has significantly lower capacity prices. The CVEC facility is projected to go on line in 2020, less than two years prior to NYISO's potential elimination of the G-J Locality. Elimination of the G-J Locality and putting CVEC in the ROS so soon after CVEC's commercial operation date would create a material financial hardship on CVEC by reducing cash flows well below those forecasted on the basis that the G-J Locality would remain in place.

Second, I must point out that while CVE's concern over investor confidence and return is understandable, it is not NYISO's role to protect private investors. NYISO's elimination proposal correctly puts the concerns of rate-payers first.

NYISO 2017 Power Trends states specifically, expansion of the New York transmission system in the St. Lawrence to Marcy corridor would allow developers of renewable resources to provide additional output onto the high-voltage system for delivery to consumers in downstate New York. Based upon the NYISO's experience, high-voltage transmission in the northern corridor would unbottle the hydroelectric generating capacity in that region, allowing that existing capacity to operate at its full output while simultaneously allowing for the delivery of other renewable resources to consumers in the eastern and southern load centers of New York State.

As planned, needed, transmission upgrades occur to bring power to downstate regions, the rationale for, and return-on-investment of, CVEC must be compromised. But as I have stated, NYISO's proper role is in the intelligent, reliable, and cost-effective management of the power grid for NYS ratepayers. It is not NYISO's role to design or maintain a grid to protect private investors in an unnecessary power plant. I hope you will move forward with the proposed elimination of the G-J locality.

Respectfully,
Courtney M. Williams, PhD

As a neighbor right on the NY/CT state border and near the Cricket Valley Energy power plant, which will send its air emissions into our state, I fully support and ask that you please pass the NYISO proposal called "NYISO Elimination of Capacity Zone" - otherwise known as the "On Ramps and Off Ramps: Market Design Proposal".

Thank you,
Pam Arifian

Dear NYISO,

I am writing in support of the NYISO proposal "Align, Create, and Eliminate Rules with RPP". It is my sincerest hope that I am not too late to lend my voice as a consumer to this discussion, as I see online in the NYISO documents that power companies have spoken out against this proposal but I have not found any consumer statements. As a consumer, I rely upon NYISO to create and maintain a reliable system to ensure that consumers have access to power, per the mission statement of the NYISO which is to maintain and enhance regional reliability, promote and operate fair and competitive markets, and to provide first class customer service, all in a cost effective manner.

It is my opinion that the proposal will accomplish that mission very effectively, and I would implore that NYISO not to kowtow to the power company demands that you rescind / reject this. If it is good for the power companies, it is likely not good for the consumer and just the fact that consumers are unaware this someone one-sided discussion is going on, illustrates that we need NYISO to stand up for us. Seniors on fixed incomes with complex medical needs NEED YOU to manage the market in this way so that they are not taken advantage of or irreparably harmed.

Thank you,
Jen Frocky

Dear NYISO,

I am writing as a single citizen, to ask you to pass this amendment. I understand that major power companies and lobbyists are against this, but this will help consumers and keep energy prices low for struggling seniors such as myself. It also would give regulators the flexibility in the future to help consumers as they see fit. Please do not let NYISO be bullied by the power lobby. Please pass this amendment and help consumers.

Sincerely,
Maria Shanley

I support the on ramp/off ramp proposal and strongly encourage you to pass the proposal "Elimination of Capacity Zone"

Thank you
Katherine MacLean

Dear NYISO,

I am writing in support of the NYISO proposal "Align, Create, and Eliminate Rules with RPP". It is my sincerest hope that you will consider the opinion of consumers. I see online in the NYISO documents that power companies have spoken out against this proposal but I have not found any consumer statements. As a consumer, I rely upon NYISO to create and maintain a reliable system to ensure that consumers have access to power, per the mission statement of the NYISO which is to maintain and enhance regional reliability, promote and operate fair and competitive markets, and to provide first class customer service, all in a cost effective manner.

It is my opinion that the proposal will accomplish that mission very effectively, and I would implore that NYISO not to kowtow to the power company demands that you rescind / reject this. If it is good for the power companies, it is likely not good for the consumer and just the fact that consumers are unaware this someone one-sided discussion is going on, illustrates that we need NYISO to stand up for us. Seniors on fixed incomes with complex medical needs NEED YOU to manage the market in this way so that they are not taken advantage of or irreparably harmed.

I am not as well versed in this as a friend of mine who wrote in so I am using much of her letter here, to also show my hope that you will do what is right for the people. Fair supply and demand is much better than doing what helps the industry owners and their lobbyists.

Thank you,
Susan Zeitler

NYISO

Business Issues Committee
February 24, 2018

Dear Deborah Eckels,

Recently, NYISO has considered elimination of the G-J Locality. I am writing to support this proposal for several reasons. First, elimination of the special G-J capacity zone combined with simultaneous enlargement of the ROS (rest-of-state) zone would recognize the changing character of electricity generation in NY. As NYISO itself has acknowledged, this trend means that grid reliability and power will increasingly depend on distributed (not centralized) generation and will no longer require the subsidized construction of large power plants.

Cricket Valley Energy (CVE/CVEC), currently constructing a \$1.5B power plant to generate 1100MW in Dover, NY, has objected to the NYISO proposal. CVEC states that elimination the G-J Locality capacity zone will cause unreasonable financial hardship for CVEC. CVEC's comments

that elimination of the G-J Locality would place the CVEC facility into the ROS zone, which currently has significantly lower capacity prices. The CVEC facility is projected to go on line in 2020, less than two years prior to NYISO's potential elimination of the G-J Locality. Elimination of the G-J Locality and putting CVEC in the ROS so soon after CVEC's commercial operation date would create a material financial hardship on CVEC by reducing cash flows well below those forecasted on the basis that the G-J Locality would remain in place.

Second, I must point out that while CVE's concern over investor confidence and return is understandable, it is not NYISO's role to protect private investors. NYISO' elimination proposal correctly puts the concerns of rate-payers first.

NYISO 2017 Power Trends states

Specifically, expansion of the New York transmission system in the St. Lawrence to Marcy corridor would allow developers of renewable resources to provide additional output onto the high-voltage system for delivery to consumers in downstate New York. Based upon the NYISO's experience, high-voltage transmission in the northern corridor would unbottle the hydroelectric generating capacity in that region, allowing that existing capacity to operate at its full output while simultaneously allowing for the delivery of other renewable resources to consumers in the eastern and southern load centers of New York State.

As planned, needed, transmission upgrades occur to bring power to downstate regions, the rationale for, and return-on-investment of, CVEC must be compromised. But as I have stated, NYISO's proper role is in the intelligent, reliable, and cost-effective management of the power grid for NYS ratepayers. It is not NYISO's role to design or maintain a grid to protect private investors in an unnecessary power plant. I hope you will move forward with the proposed elimination of the G-J locality.

Respectfully,

A. Schwartz

NYISO
Business Issues Committee
February 28, 2018

Dear Deborah Eckels,

The FERC order creating the G-J Locality (2014) recognized that this zone would lead to price differentials. FERC rightly or wrongly believed that would create incentives to alleviate them. One mechanism to lower artificially high rate-payer levies would be new transmission. It is clear from NYISO's Power

Trends that increased transmission from upstate to downstate is important. However, rate-payers are still stuck with the consequences of this ill-conceived zone. Who benefits from this locality? Well, Cricket Valley investors do. Their recent comment on the NYISO proposal to eliminate locality G-J indicates that CVE investors in this power plant might pull out if NYISO were to pursue G-J elimination. CVE states in their comment on the NYISO proposal:

If the NYISO capacity zone creation/elimination proposal is approved as an amendment to the NYISO Tariff, the elimination of the G-J Locality would place the CVEC facility into the ROS zone, which currently has significantly lower capacity prices. The CVEC facility is projected to go on line in 2020, less than two years prior to NYISO's potential elimination of the G-J Locality. Elimination of the G-J Locality and putting CVEC in the ROS so soon after CVEC's commercial operation date would create a material financial hardship on CVEC by reducing cash flows well below those forecasted on the basis that the G-J Locality would remain in place. As a result of this potential change in the Tariff, CVEC's investors will need to evaluate continued support for construction of the project, which, as noted, is only about 9% completed.

But we need to consider NYISO's mission. NYISO's obligation is not to CVE's shareholders and investors, but to the reliability and capacity of the grid, and to NYS energy clients, particularly regarding the rates they pay. I hope you will seriously consider elimination of the G-J locality.

Respectfully,

A. Schwartz

NYISO
Business Issues Committee
February 28, 2018

Dear Deborah Eckels,

I am writing to talk to you about "bait-and-switch". NYISO created the G-J locality presumably as part of their mandate to insure regional capacity and reliability on the grid. Because of the rate differential between Locality G-J and rest-of-state (ROS), rate payers there will pick up a hefty tab for Cricket Valley power. Again, ostensibly to insure capacity and reliability of regional electric supply in the light of "Power Trends" - development of N-S transmission, increased

wind and solar, and other grid changes -NYISO is considering elimination of the G-J locality. There is no question this would benefit rate payers. Naturally, Wall Street investors are displeased, and Cricket Valley Energy writes in response to the proposal:

It is fundamentally unfair for NYISO to have created the G-J Locality in 2013 with the express intent to induce investment in the G-J Locality, and thereafter, having successfully induced a \$1.58 billion investment by CVEC, to remove the inducement shortly after CVEC comes on line. The fact that NYISO is moving to make this abrupt market change in market rules so soon after inducing the investment by CVEC and others is particularly troubling and has the distinct feel of a classic "bait and switch" scheme: NYISO induces the investment necessary to preserve reliability in the G-J Locality following the shutdown of Indian Point, and then artificially crashes the prices by eliminating that Locality.

Of course, the real bait and switch is whether NYISO will use the G-J locality to trick rate-payers into paying more than ROS. Therefore, I must ask to whom NYISO is responsible, NY rate payers or CVE's Wall Street investors? Additionally, halting CVE construction would be a great benefit the planet, removing about 10 million metric tons of CO2E (carbon dioxide-equivalent) pollution every year for the next four decades. Please consider elimination of this zone that does not align with NY's current grid topology or its future development, and additionally penalizes locality rate payers simply to reward corporate investors.

Respectfully,

A. Schwartz