

# Ramapo Phase Angle Regulator Cost Recovery Discussion

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**MIWG**

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# Proposal

- NYISO believes there are significant benefits to both New York and PJM of maintaining two PARs at Ramapo. Delay in reaching agreement on interregional cost allocation should not be permitted to indefinitely delay the installation of a second PAR at Ramapo.
- Assuring Con Edison that it will be able to recover its costs after Con Edison installs and places in-service a second PAR at Ramapo is expected to accelerate the installation of a second PAR at the Ramapo Substation.

# NYISO Proposal, cont.

- To obtain the benefits of having two Ramapo PARs in place while NYISO and PJM stakeholders debate cost allocation, NYISO proposes to make modifications to its Tariffs whereby New York LSEs would, on a going-forward basis (commencing on the effective date of the Tariff revisions), pay up to 100% of the charges associated with installing a second PAR at Ramapo and maintaining and operating the two Ramapo PARs.
- The proposed Tariff rules would include provisions to provide reimbursement to New York LSEs for monies paid in excess of the New York allocation that is eventually agreed to when interregional cost allocation issues are resolved, and PJM's customers accept an obligation to contribute a portion of the cost of the Ramapo PARs

# Benefits of Two Ramapo PARs

- **Reliability**
  - Reliability benefits in event of extreme contingencies or restoration
- **Market Efficiency**
  - Reduced total energy import capability from PJM into NYISO
  - Reduced capability to direct PJM AC import schedules into eastern NY
  - Increased production costs in NYISO
  - Increased eastern NY marginal energy prices
  - Decreased Market-to-Market capability
- **Planning**
  - Reduced NY Installed Reserve Margins & Locational Capacity Requirements
  - Estimated NY ICAP benefits of approximately \$75 million

# Next Steps

- May BIC for vote with tariff language modifications
- May MC for vote with tariff language modifications
- June NYISO Board Approval
- FERC filing
- Con Edison installs spare PAR in Fall 2017
- Continued joint NYISO-PJM stakeholder discussions on regional benefits and regional cost allocation

# The Mission of the New York Independent System Operator is to:

- Serve the public interest and
- Provide benefit to stakeholders by
  - Maintaining and enhancing regional reliability
  - Operating open, fair and competitive wholesale electricity markets
  - Planning the power system for the future
  - Providing factual information to policy makers, stakeholders and investors in the power system



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