# **New York City Steam Exemption**

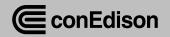
September 9, 2020

NYISO Business Issues Committee



## **New York City Steam Exemption**

- Units that supply the New York City steam distribution system are granted an exemption from real-time generation penalties given their operating characteristics.
  - Electricity output level is driven by New York City steam load.
  - Steam supply and reserve requirement is a utility service regulated by the New York Public Service Commission.
- Tariff originally provided for a 365 MW exemption corresponding to the then-existing units' winter capacity.
- The current Tariff exemption is 523 MW.



## **Modifications to Steam Exemption**

- Stakeholders have twice approved changes to the exemption for efficiency projects that increased MWs without changing the original operating characteristics.
  - 2005 East River Repowering Project | Total 499 MWs Exempted
    - East River Unit 1 and 2 Repowered
    - East River Unit 6 Existing
    - Waterside\* and Hudson Avenue Unit 10\*\* Retired
  - 2014/15 Advanced Gas Path Upgrades | Total 523 MWs Exempted
    - East River Unit 1 Increase 12 MW
    - East River Unit 2 Increase 12 MW

\* Retired when East River Repowering Project completed

\*\* Retired in 2004



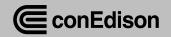
## **2014/15 Efficiency Project Specifics**

- Over the past several years Con Edison has completed a number of projects resulting in East River 6 efficiencies.
  - The total increase in electric winter output is 10 MWs.
  - New total electric winter capacity of all units of 533 MWs.
- East River Unit 6 continues to serve the same steam system in the winter with the same operating characteristics that justified the original exemption.
  - Con Edison dispatches the unit to meet steam demands.
  - Electricity is a byproduct of Con Edison's steam production.
  - Units may be unable to follow NYISO's dispatch schedule.



#### Proposal

- Con Edison is proposing to revise the Tariff to increase MW exemption cap by 10 MW, for a total of 533 MW.
  - Market Services Tariff Sections 4.5, 5.12 and 15.3A.3.
  - Open Access Transmission Tariff Section 16.3.
- This is consistent with the Tariff MW cap increases in 2005 and 2015.



#### **Proposal Continued – Tariff Clarification**

- During the review of these Tariff sections, Con Edison identified an opportunity to improve the description of the applicable generators following the 2005 East River Repowering.
- The posted Tariff revisions also propose the following change to clarity the description.
  - And/or topping or extraction turbine Generators utilized in replacing or repowering existing steam supplies from such units.



#### **Next Steps**

September 2020 | NYISO Management Committee

October 2020

NYISO Board FERC Filing

