

NOTICE

SHORT-TERM RELIABILITY PROCESS SOLUTION SOLICITATION REGARDING NEAR-TERM RELIABILITY NEEDS *Responses due February 1, 2021*

December 3, 2020

The New York Independent Service Operator, Inc. (“NYISO”) requests the submission of proposed Short-Term Reliability Process Solutions to address the Near-Term Reliability Needs¹ identified in the 2020 Quarter 3 Short-Term Assessment of Reliability (“STAR”)² that the NYISO issued on October 13, 2020.³ As further described in this notice, proposed solutions and statements of intent from Peaker generators must be submitted on or before February 1, 2021. Questions regarding this solicitation should be addressed to DeveloperSolution@nyiso.com.

Determination of Short-Term Reliability Process Needs

The NYISO performed the STAR for the third quarter of 2020 under its Short-Term Reliability Process.⁴ The STAR assessed Short-Term Reliability Needs arising in 2021-2025, with a focus on needs arising in 2021-2023. The 2020 Quarter 3 STAR found Short-Term Reliability Needs on the Bulk Power Transmission Facilities (“BPTF”) starting in 2023 and increasing in scope and scale through 2025. The needs identified in 2024 and 2025 will be addressed in the Reliability Planning Process.⁵ The needs that are observed in the ozone season⁶ in 2023 arise within three years of the posting of the STAR in which the needs were identified (October 13, 2020), so the needs are Near-Term Reliability Needs (“Needs”).

A detailed description of the Needs is provided in the posted STAR report. Consistent with its Short-Term Reliability Process, the NYISO issues this solicitation to identify and select solutions to address the identified Needs that arise in 2023. Parties interested in submitting solutions should review the STAR and the attached updated description to understand the identified Needs.

¹ Capitalized terms in this letter refer to defined terms in the NYISO’s Open Access Transmission Tariff (“OATT”). See OATT Article 1, Section 38.1 and Section 31.1.1.

² OATT § 38.3.5.

³ The STAR for the third quarter of 2020 is posted on the NYISO’s web site at: <https://www.nyiso.com/documents/20142/16004172/2020-Q3-STAR-Report-vFinal.pdf>.

⁴ OATT Attachment FF, §§ 38.1 – 38.27.

⁵ See OATT Section 38.2, which explains that the long-term Reliability Planning Process is the preferred process for addressing non-Generator Deactivation needs that arise on the BPTF more than three years after the completion of a STAR study.

⁶ The ozone season runs from May 1 through September 30.

Project Submission Requirements

In accordance with Section 38.4 of the Open Access Transmission Tariff (“OATT”), the NYISO hereby solicits a proposed permanent solution from the Responsible Transmission Owner, Consolidated Edison Company of New York, Inc., and proposed generation and market-based solutions from other interested Developers to address the Needs for needs arising in 2023.

For the reasons the NYISO stated in its posted *Statement Regarding Identification of Near-Term Reliability Needs for the 2020 Quarter 3 Short-Term Assessment of Reliability*, the NYISO is only soliciting a regulated transmission solution from Consolidated Edison Company of New York, Inc., the Responsible Transmission Owner.⁷

Other Developer(s) may propose a temporary regulated generation solution or a market-based solution, but may not submit a proposed regulated transmission solution.⁸ Proposed market-based solutions may include generation, transmission, and/or demand response projects that are capable of satisfying, in whole or in part, the identified needs. Market-based solutions are not eligible for cost recovery under Rate Schedule 8 to the ISO Services Tariff or Rate Schedules 14 or 16 to the ISO OATT.⁹ As discussed in the Request for Interest below, at this time existing Generators that are subject to the Department of Environmental Conservation (“DEC”) Peaker Rule are not eligible to be considered as solutions to the Short-Term Reliability Needs.¹⁰

Key data submission requirements for proposed solutions specified in Section 38.4 of the OATT are identified in the table below:

⁷ See *Statement Regarding Near-Term Reliability Needs for the 2020 Quarter 3 Short-Term Assessment of Reliability* (November 16, 2020), posted on the NYISO’s web site at: <https://www.nyiso.com/documents/20142/16004185/2020Q3STAR-NearTermReliabilityNeedExplanatoryStatement-vFinal.pdf/8eca88f5-16b8-f118-b25d-505aa0fd482b>

⁸ See OATT Sections 38.4.2.2 and 38.4.2.3.

⁹ See OATT Section 38.4.2.2.

¹⁰ 6 NYCRR § 227-3.

Data Submission Requirements	
Solution Type	Tariff References
Responsible Transmission Owner Regulated Solution	OATT Sections 31.2.4.4.1, 31.2.4.4.2, 31.2.6.5.1.1, 38.4.2.1, 38.4.3 and 38.25 and Reliability Planning Process Manual Attachment C
New Generator	Any Developer may submit a proposed new Generator that requires an RMR Agreement to operate as a temporary Short-Term Reliability Process Solution. <i>See</i> OATT Sections 38.4.2.3 and 38.25.
Market-Based Solution	OATT Section 31.2.4.6, 38.4.2.2, 38.4.2.3, 38.4.3 and 38.25

* Must not be seeking cost recovery under the NYISO’s Tariffs.¹¹

Please use the NYISO’s posted Generator Deactivation Process/Reliability Must Run (RMR) Input Template¹² to submit cost data to the extent possible. The NYISO recognizes that it is not possible to submit all required data and supporting information via the template.

The NYISO may publicly disclose project information contained in the proposals, except as provided in Section 38.4.5 of the OATT. If Developers, including the Responsible Transmission Owner(s), desire eligible information to be maintained as confidential, they are responsible for designating such information as “Confidential Information.”¹³

¹¹ *See* OATT Section 38.4.2.2.

¹² The template is available at: [NYISO’s Generator Deactivation Process/Reliability Must Run \(RMR\) Input Template](#)

¹³ *See* OATT Section 38.4.5.

Proposed solutions, together with all required project information, must be submitted electronically on or before February 1, 2021 to DeveloperSolution@nyiso.com, including in the subject line, “Proposed Short-Term Reliability Solutions for Q3 2020 STAR.” Due to file size restrictions, e-mail attachments should not exceed 40 MB for any single e-mail. Any supplemental hard copy information that could not be sent via e-mail can be sent to Keith Burrell, Manager of Transmission Studies, New York Independent System Operator, 10 Krey Boulevard, Rensselaer, New York 12144. Questions about the filing of proposals or about the 2020 Quarter 3 Short-Term Assessment of Reliability including power flow cases, auxiliary files and applicable reliability criteria should be addressed to DeveloperSolution@nyiso.com.

Request for Generators Subject to the DEC Peaker Rule to Submit Statements of Interest

The DEC final rule addressing nitrogen oxide emissions from combustion turbines (referred to as “Peakers”) includes a provision that would allow a Peaker that submitted a compliance plan in which the Peaker proposed to deactivate in 2023 to continue to operate for up to two years after the Peaker’s compliance deadline (with a possible further two-year extension). Peakers that have proposed to deactivate or to not operate during the 2023 ozone season in compliance plans submitted to the DEC are not eligible at this time to be considered as market-based solutions in response to the identified Short-Term Reliability Needs. Such Peakers will not be considered viable and sufficient solutions because they will lack an air emission permit to operate in 2023 under their proposed compliance plans.¹⁴

Under the Peaker Rule, a Peaker “may be designated as a reliability source by the NYISO or by the local transmission/distribution owner to temporarily resolve a reliability need.”¹⁵

Accordingly, the NYISO requests that each owner of Peakers that submitted compliance plans indicating that their Generator would not operate during the 2023 ozone season submit a letter informing the NYISO which (if any) of its Peaker units it would be willing to continue operating on a temporary basis if designated by the NYISO. In their response to the NYISO, owners or operators of Peakers should also inform the NYISO whether the Peaker would be willing to operate at market-based rates or if the Peaker would only continue operating pursuant to a Reliability-Must-Run Agreement.¹⁶

Letters from Peaker owners stating interest should be submitted electronically to the NYISO by February 1, 2021, to DeveloperSolution@nyiso.com, including in the subject line, “Statement of Interest for Q3 2020 STAR.”

¹⁴ See OATT Attachment FF, § 38.6, Viability and Sufficiency Evaluation of Proposed Short-Term Reliability Process Solutions and Monitoring of Selected Short-Term Reliability Process Solutions.

¹⁵ 6 NYCRR § 227-3.6, Electric System Reliability.

¹⁶ See OATT Attachment FF, § 38.11.

Updated Short-Term Reliability Needs Description

At a November 19, 2020 stakeholder meeting, the NYISO presented an updated peak load forecast to account for the expected impact of COVID-19 and the associated economic and societal effects.¹⁷ In consideration of the updated forecast, the NYISO found that dynamic instability is no longer observed in 2023 under N-1 conditions as stated in the Quarter 3 STAR. However, dynamic instability is still observed in 2023 under N-1-1 conditions. The contingency combination resulting in N-1-1 BPTF stability criteria violations is the loss of Ravenswood 3 followed by event UC11. Event UC11 is a fault at Sprainbrook 345 kV and the loss of Sprainbrook – Tremont (X28) 345 kV and Buchanan – Sprainbrook (W93/W79) 345 kV.

With the updated load forecast, the dynamic stability compensatory MVA as measured by adding fictitious generators at the Farragut 345 kV and Astoria East 138 kV buses is 340 MVA.

¹⁷ Meeting material for November 19, 2020 ESPWG/TPAS: <https://www.nyiso.com/espwg>