

# NYISO Consumer Interest Liaison Weekly Summary

**April 19 – April 23, 2021**

## **Notices:**

- *As discussed at the April 12th ICAPWG, the assumption documents for the Buyer-Side Mitigation determinations for Class Year 2019 Additional Studies for NYC have been posted. The links are:*
  - [\*Class Year 2019 NYC Additional SDU Study Renewable Exemption Limit Assumptions and Calculations\*](#)
  - [\*Buyer Side Mitigation ICAP Forecast – Class Year 2019 NYC Additional SDU Study Assumptions & References\*](#)
  - [\*ICAP BSM Test Data ASDU 2021\*](#)
- *This is to inform you that a [\*Notice of Initial Decision Period to Class Year 2019 NYC Additional SDU Study Project Developers\*](#) is posted on the NYISO website. The noticed is posted on the NYISO website at the link below under the "Notices to Market Participants" subfolder. [\*Link to NYISO website\*](#)*

## **Meeting Summaries:**

**Tuesday, April 20, 2021**

### **Joint Installed Capacity/Market Issues/Price Responsive Load Working Group**

#### **Preparing the Capacity Market for the Grid in Transition**

Michael DeSocio of the NYISO led a discussion on the Installed Capacity (ICAP) market in relation to the Grid in Transition. Mr. DeSocio noted that the Buyer Side Mitigation (BSM) process is very important to the ICAP market. New York State is structuring out-of-market payments in the form of Renewable Energy Credits (RECs) or Zero Energy Credits (ZECs) to incentivize resources with desirable environmental attributes to enter the market. The current BSM rules, when applied to state

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subsidized resources, are increasingly viewed by both state and federal regulators as extremely costly to consumers and ultimately counterproductive. The NYISO seeks a new approach that could:

- Create an alternative option supported by stakeholders that may be approved at FERC
- Eliminate BSM risk for CLCPA resources
- Attempt to simplify unnecessarily complex BSM process

Mr. DeSocio provided a high-level timeline of the BSM reform process that projects a proposal developed by the end of Summer 2021 and a filing to FERC in October 2021. In response to a stakeholder question on the timeline, Mr. DeSocio explained that the timeline is not firm and will be determined by the development of a well thought through proposal.

Mr. DeSocio provided and discussed the areas that will require resolution in the proposal:

- *Capacity Requirements to Support Reliability*
- *Methods for Measuring Reliability*
- *Capacity Accreditation Measures*

A second high level timeline was provided to demonstrate the order/timing of issue discussions in the process. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/20839079/20210420%20NYISO%20-%20Preparing%20the%20Capacity%20Market%20for%20the%20Grid%20in%20Transition.pdf/92f68a4b-8c2a-0c5a-10e0-5ca75229aaf9>

### Reliability Gaps and Market Performance Metrics

Scott Harvey of FTI reviewed the performance metrics that will be used to measure bid production cost guarantees (BPCG) as potential reliability gaps develop within New York's evolving resource mix. Mr. Harvey began the presentation with responses to stakeholder inquiries following the initial presentation of the performance metrics from the March 19, 2021 ICAPWG meeting.

Mr. Harvey detailed the methodology for the study and updated the Day-Ahead Market BPCG metrics discussed on March 19, 2021. Changes to the methodology were discussed with stakeholders to explain how the revisions illustrate the efficiency of price signals more clearly. Results of the day-ahead BPCG were compared to real-time metric results.

FTI proposed the following two metrics for BPCG trends:

- *Proportion of economic starts receiving BPCG. [ $\text{starts receiving BPCG} / \text{Total economic starts}$ ]*
- *Relationship between BPCG and Margins [ $\text{Total BPCG payments} / (\text{Total BPCG Payments} + \text{Total Net Margins})$ ]*

Mr. Harvey explained how the metrics will address concerns related to BPCG.

FTI also proposed to analyze the Real-Time Commitment (RTC) cost offers of resources with day-ahead market schedules to assess the magnitude of reductions in real-time commitment cost offers. There is a potential for large losses if a resource with a day-ahead market schedule is not committed economically in RTC and hence incenting resources with day-ahead market schedules to understate their commitment cost offers in real-time. This will result in more resources being on line in real-time than is efficient. Uneconomic reductions in commitment offers between day-ahead and real-time could have a larger impact on market efficiency in the future as a consequence of rising levels of intermittent resource output.

Mr. Harvey provided the methodology used to measure the uneconomic commitment offers and provided the initial results of the exercise.

The FTI and NYISO are looking for feedback from stakeholders on these proposed metrics. In addition to feedback provided at this meeting, stakeholders wishing to provide written feedback

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should send it to [deckels@nyiso.com](mailto:deckels@nyiso.com) by May 20, 2021 for consideration in future presentations. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/20839079/Grid%20in%20Transition%20RTC%20Metrics%20Slides%20for%204-20-21.pdf/081fab41-b2cb-cb35-de59-6091b5d9bcb2>

### **Wednesday, April 21, 2021**

#### **Operating Committee Meeting**

##### **Motion #1:**

The Operating Committee (OC) hereby approves the NYISO Class Year 2019 New York City Additional System Deliverability Upgrade Study and related Project Cost Allocations as presented and discussed at the April 21, 2021 OC meeting.

*Motion was approved*

### **Friday, April 23, 2021**

#### **Joint Electric System Planning Working Group/Transmission Planning Advisory Subcommittee Short-Term Assessment of Reliability: 2021 Q2 Key Study Assumptions**

Keith Burrell of the NYISO presented the key assumptions for the Q2 2021 Short-Term Assessment of Reliability (STAR). The NYISO plans to post the 2021 Q2 STAR by July 14, 2021.

The 2020 Reliability Needs Assessment (RNA) uses the most recent base cases from the Reliability Planning Process that were updated for the Q2 2021 STAR. There are no changes to generation assumptions as compared to the prior STAR.

The load forecast for the Q2 2021 STAR will include the updated load forecast accounting for the expected impact of COVID-19 and the associated economic and societal effects as presented to stakeholders at the November 19, 2021 ESPWG/TPAS. This updated load forecast was also used for the Q1 2021 STAR.

A change to transmission assumptions compared to the prior STAR is the inclusion of the proposed PSEG-LI firm transmission plans as presented at March 1, 2021 TPAS/ESPWG.

The 2021 Q3 STAR will commence on July 15, 2021. To see the complete presentation, please go to: <https://www.nyiso.com/documents/20142/20960812/02%202021%20Q2%20STAR%20Key%20Study%20Assumptions.pdf/aa067fcd-5f56-2c69-f68f-4ef8a976f592>

#### **Economic Planning Update**

Jason L. Frasier of the NYISO updated the Economic Planning Process. On Friday April 9, 2021, the Federal Energy Regulatory Commission issued an order accepting NYISO Economic Planning tariff revisions, effective April 11, 2021, as filed with no changes.

The NYISO will begin revisions to the Economic Planning Manual to reflect the tariff revisions and provide draft manual revisions and a preliminary study schedule to the May 20, 2021 ESPWG meeting for stakeholder review.

Updated Forms for Requested Economic Planning Studies (REPS) have been added to the NYISO website:

- [Study Request Form](#)
- [Study Agreement Form](#)

To see the complete presentation, please go to:

[https://www.nyiso.com/documents/20142/20960812/03%20EP\\_Presentation\\_0423\\_ESPWG.pdf/3bc6e77d-cf0d-8205-e246-223203ded121](https://www.nyiso.com/documents/20142/20960812/03%20EP_Presentation_0423_ESPWG.pdf/3bc6e77d-cf0d-8205-e246-223203ded121)

#### **Public Policy Transmission Need: Long Island Offshore Wind Export**

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Ross Altman of the NYISO updated the Public Policy Transmission Need (PPTN) established for the Long Island Offshore Wind export. The NYISO is currently conducting the Baseline Assessment which evaluates constraints in the existing system's ability to meet the Public Policy Requirement. The results will be used to measure the impact and performance of each proposed project. The Baseline cases will be provided to Developers. Mr. Altman provided the methodology and the assumptions to be used for the Baseline Assessment.

Mr. Altman also led an overview of the Developer Qualification process. The NYISO will conduct a technical conference for prospective developers prior to the solicitation for solutions. The topics for discussion in the technical conference will include:

- *Baseline Assessment Results and additional information*
- *Evaluation Methodology and Criteria*
- *PPTPP and TIP Process*
- *Contingency percentages and escalation factors for capital cost estimates, to extent practicable*
- *Developer's perspective on potential issues*

The NYISO may hold more than one technical conference to address these topics.

To see the complete presentation, please go to:

[https://www.nyiso.com/documents/20142/20960812/04%20LI OSW Export ESPWG 4-23-2021.pdf/d77e5e5d-a204-359c-a5d2-75d35b9c7520](https://www.nyiso.com/documents/20142/20960812/04%20LI%20OSW%20Export%20ESPWG%204-23-2021.pdf/d77e5e5d-a204-359c-a5d2-75d35b9c7520)

## **FERC Filings**

### **April 23, 2021**

NYISO filing of an implementation agreement (SA 2623) with Helix Ravenswood regarding recovery of its costs to use fuel oil in lieu of natural gas in furtherance of NYSRC Local Reliability Rule G.2

### **April 23, 2021**

NYISO filing of motion to intervene and protests the request for limited waiver of Tariff submitted by TBE Montgomery, LLC (TBE) on April 9, 2021

### **April 23, 2021**

NYISO errata to its Motion to Intervene and Comments on the TBE Montgomery Request for Limited Waiver

### **April 20, 2021**

NYISO annual report of total MW-hours of transmission service interstate commerce for 2020 in compliance with FERC Reporting Requirement No. 582.

### **April 20, 2021**

NYISO filing of an answer to comments submitted regarding an Amended and Restated Large Generator Interconnection Agreement among the NYISO, NYSEG, and Baron Winds

### **April 19, 2021**

NYISO filing, on behalf of NY Transco, of an Engineering, Procurement & Construction Agreement Among NY Transco, Holcim (US) Inc. and NYISO (SA No. 2617)

## **FERC Orders**

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There were no FERC Orders issued to the NYISO for this week.

**Filings and Orders:**

[http://www.nyiso.com/public/markets\\_operations/documents/tariffviewer/index.jsp](http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp)