

NYISO Consumer Interest Liaison Weekly Summary

March 22 – March 26, 2021

Notices:

- The Demand Response Information System User's Guide (UG-11) has been updated and is now available on the <u>Manuals, Technical Bulletins & Guides webpage</u>, under the Guides folder.
- New York ISO President and CEO Rich Dewey on March 23, 2021, in excerpted testimony submitted to the Federal Energy Regulatory Commission ("FERC") for a technical conference examining, "Resource Adequacy in the Evolving Electricity Sector," said in part:

"The NYISO appreciates the opportunity to participate in this important technical conference. It welcomes the Commission's effort to explore "the role of capacity market constructs in an environment where state policies increasingly affect resource entry and exit." The issues to be addressed in this proceeding are a key focus area for the NYISO. The current version of the NYISO's capacity market, and its mitigation rules, must continue to evolve in response to New York's clean energy mandates."

• A revised version of the 'NY Renewables – Overview and YTD Operation' presentation from the March 19th, 2021 ICAP/MIWG/PRLWG has been posted on the NYISO website. In response to stakeholder feedback, the presentation now contains additional information including an appendix. Revised Presentation

Meeting Summaries:

Wednesday, March 23, 2021

Business and Priorities Working Group

2021 Project Schedule Milestone Update

Michael DeSocio and Diane Peluso of the NYISO reviewed milestone and status definitions as part of updating the 2021 project schedule milestones. Mr. DeSocio began with the Market Design projects for 2021. At this time, all Market Design projects are on schedule, Projects that are underway or will be discussed at the working group meetings in the near future include:

- BSM Renewables Exemption Study
- Comprehensive Mitigation Review
- CRIS Expiration Evaluation
- Expanding Peak Hour Forecasts
- Engaging the Demand Side
- Climate Change and Grid in Transition
- Ongoing TSO and DSO Coordination
- Hybrid Aggregation Model
- Time Differentiated TCCs
- Constraint Specific Transmission Shortage
- Grid Services from Renewable Generators
- Reserve Enhancement for Constrained Areas

Ms. Peluso continued the presentation with an overview of the projects scheduled for implementation. Projects with status changes since the last milestone update include:

• FERC Form 1 Redesign

At Risk/Delayed

• Carbon Pricing

On Schedule

• Tailored Availability Metric

Complete

The following projects are underway or will be started in the near future:

- Ancillary Services Shortage Pricing
- Reserves for Resource Flexibility
- Hybrid Co-Located Model

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/20152341/02%20Project%20Schedule%20Milestone.pdf/a aacb909-9554-7e67-5671-1ad5115150fc

Market Rules for Internal HVDC Transmission Lines

Elizabeth Griffin of Con Edison Transmission (Con Edison) presented a proposal for establishing market rules for internal High Voltage Direct Current (HVDC) transmission lines. Ms. Griffin noted that the Market Services Tariff establishes the construct of internal UDRs, but NYISO does not currently have in place market rules, procedures or software regarding internal HVDC transmission. Con Edison will propose a market design project to revise existing rules and develop new rules, as needed, to allow internal HVDC transmission lines to participate in the NYISO's markets. In response to a stakeholder inquiry as to whether Con Edison has a detailed proposal for market rules, Ms. Griffin noted that Con Edison was hoping to develop a complete proposal incorporating stakeholder input.

The NYISO will conduct a "knowledge session" meeting with stakeholders for further review of this proposal.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/20152341/03%20CET%20BPWG%20March%2024.pdf/75 96e122-18df-2fa0-2dba-dceb2709f267

NYISO 2020 Corporate Incentive Achievement

Cheryl Hussey of the NYISO presented the Corporate Incentive achievement for 2020. Ms. Hussey reviewed the results of all assigned goals and provided the final achievement of 122.5%. To see the complete goal review please go to:

 $\frac{https://www.nyiso.com/documents/20142/20152341/04\%2020\%20Corporate\%20Incentive\%20Achievement.pdf/664656c4-4d7c-e5a5-c24c-f4af8b9ee13b}{}$

2021 Corporate Incentive Goals

Cheryl Hussey of the NYISO presented the Corporate Incentive Goals for 2021. Ms. Hussey explained that a portion of the NYISO's employee compensation is at-risk and determined by performance in achieving the Annual Incentive Plan. Each year, annual goals are developed by NYISO management with input from the Board of Directors and from Market Participants. The Board of Directors is responsible for approving the goals identified in the Annual Incentive Plan. Ms. Hussey detailed the goals, the reasoning behind each goal, and highlighted the goal weights toward the final achievement.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/20152341/05%202021%20Corporate%20Incentive%20Goals.pdf/b808aa08-e83b-16a5-d127-0a5e7cca6b23

Wednesday, March 23, 2021

Joint Electric System Planning Working Group/Load Forecasting Task Force

2021 Long Term Baseline Forecast

Max Schuler of the NYISO presented the 2021 Long Term Baseline Forecast that looks out over the next 30 years.

Mr. Schuler presented the forecast components and highlighted the long term forecast drivers. It was noted that the NYISO forecast expects a switch to a winter peaking system around 2040 driven primarily by electrification.

Mr. Schuler then presented the forecasts for Zonal and total NYCA load through 2051. Tables and charts were provided and discussed for additional information. Additional NYISO personnel were available to respond to stakeholder questions and provide clarification.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/20153161/Baseline_Forecast_Summary.pdf/a6bfffeb-934c-4a4b-db52-ab631505910c

Thursday, March 25, 2021

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

Transmission Security Limits in NYISO Capacity Markets

Aaron Markham of the NYISO led a discussion of Transmission Security Limits (TSL) in the NYISO Capacity markets. Mr. Markham explained that whereas resource adequacy is a probabilistic determination of the amount of capacity needed to meet a 1 in 10 year loss of load probability using Emergency Transfer limits, transmission security is a deterministic look at the generation and transmission resources needed to avoid thermal, voltage, and stability issues using N-1, N-1-1 or more stringent NYSRC local area criteria.

In 2017, the NYISO introduced the concept of the Capacity Optimizer as a way to minimize costs while still ensuring sufficient capacity to meet reliability. The TSL was introduced into the optimizer

as a floor to maintain sufficient resources in the ICAP localities to meet ICAP locality transmission security requirements.

Mr. Markham concluded the presentation with a comparison of resource adequacy factors and the factors used to develop the TSL for discussion with stakeholders. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/20226859/TSL%20032521%20icap.pdf/41796ec7-7291-9525-cbab-dccd61e55e1f

Expanding Application of Peak Hour Forecasts

Ethan Avallone of the NYISO led a discussion on the Expanding Application of Peak Hour Forecasts project. Mr. Avallone noted that the revisions to the Installed Capacity (ICAP) load forecast or Installed Reserve Margin (IRM) processes are not under consideration as part of this project. The NYISO and its stakeholders will consider providing additional information to the Transmission Owners (TOs) and Load Serving Entities (LSEs) as part of Expanding Application of Peak Hour Forecasts by:

- Identifying more peak load hours (e.g., the top 3 peak load hours in the year) is under consideration.
- Considering whether the load for these hours should have additional production added back before identifying peak hours, after identifying peak hours, or not at all is under consideration.

The proposal is to provide peak load hour data for more hours than the single hour that is identified today to allow the TOs to incorporate this information when they allocate load obligations to the LSEs for the capacity market. Mr. Avallone discussed the pros and cons of this approach with stakeholders.

It was explained that today, production from ICAP resources that are not visible to the NYISO in real time is added back into the peak load hour (*i.e.*, "reconstituted") as part of the NYISO's ICAP load forecast process. Mr. Avallone led a discussion on an alternative method of reconstituting load and the potential benefits it could provide. An illustrated example was provided to compare the current methodology to the alternative method.

Stakeholders voiced concern that the changes could potentially "water down" price signals currently provided to the market. Mr. Avallone noted the feedback for future working group discussion. The NYISO is planning to provide a load duration curve to stakeholders in order to identify the appropriate number of peak load hours.

Additional feedback is encouraged and can be sent to <u>deckels@nyiso.com</u>. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/20226859/Expanding%20Application%20of%20Peak%20 Hour%20Forecasts%203.25.2021%20ICAPWG%20FINAL.pdf/5334cd44-5d5f-06d8-f12e-bd294bbcbee1

Zach Smith DCR Announcement

Zachary T. Smith of the NYISO addressed a Demand Curve Reset (DCR) announcement for 2021 – 2025. Mr. Smith announced that next week the NYISO will file a contingency plan to FERC if there is no FERC decision received by the NYISO at that time. The contingency plan will use the 2020/2021 Demand Curves currently in effect. In response to a stakeholder question, Mr. Smith noted that the inflation adjustment calculated annually in the Reference Price determination and the Winter/Summer Ration will remain the same, with no adjustments until a determination is received

from FERC. If the DCR filing is accepted as filed, the NYISO will immediately employ the Demand Curves as filed. If the DCR filing is sent back to the NYISO for additional compliance changes, the NYISO will continue to use the 2020/2021 Demand Curves until a compliance filing is accepted by FERC.

Friday, March 26, 2021

Joint Electric System Planning Working Group/Transmission Planning Advisory Subcommittee Updated Project Tracking Form – Attachment D of the RPP Manual

Laura Popa of the NYISO presented an updated Attachment D of the Reliability Planning Process (RPP) manual, known as the Project Tracking Form. This form is used to determine the status of projects.

Ms. Popa highlighted the changes that will provide access to data that will assist the NYISO in coordinating projects with inclusion rules. To see the complete form, please go to: https://www.nyiso.com/espwg?meetingDate=2021-03-23

Post-RNA Update: Dynamic Stability

Keith Burrell of the NYISO updated the post Reliability Needs Assessment (RNA) developments. The post-RNA Base Case updates were presented at the February 23, 2021 ESPWG/TPAS meeting. The NYISO has continued to analyze the observed transient voltage response violations to further understand the interaction of the non-bulk and bulk systems, to determine if any Reliability Needs remain on the Bulk Power Transmission Facilities (BPTFs).

The Dynamic Stability study revealed transient voltage response issues observed on Con Edison's non-BPTF system from 2025 through 2030. Transient voltage response issues are observed in the Greenwood / Fox Hills 138 kV Transmission Load Area (TLA) and the East 13th Street 138 kV TLA for two design contingency events (UC25A and UC25B). Transient voltage response issues are also observed on Con Edison's BPTF starting in 2029. Mr. Burrell detailed the issues with stakeholders. Mr. Burrell presented the non-bulk generic solution developed to illustrate the compensatory MVARs required to resolve the issues. The compensatory MVAr additions are not intended to represent specific solutions. Rather, the compensatory MVAr provides a generic order-of-magnitude measure of the deficiency. The impact of specific solutions can depend on the type of the solution and its location on the grid.

Con Edison will address the non-BPTF violations with a Corrective Action Plan as required by NERC Standard TPL-001-4. The Corrective Action Plan will also be documented in an update to their Local Transmission Plan. The NYISO will proceed to develop the Comprehensive Reliability Plan for stakeholder review later this year. To see the complete presentation, please go to: https://www.nyiso.com/documents/20142/20255668/03%202020-

2021RPP PostRNABaseCaseUpdates Dynamics.pdf/60e9535a-a5c2-2b43-7d24-97046c54575e

<u>Developer Qualification: Process Improvement and Cost Reduction Proposals</u>

David Duda of the NYISO reviewed the process improvement and cost reduction proposals for the Developer Qualification Process. The NYISO initiated the review of the Developer Qualification process in order to identify opportunities for process improvement by reducing administrative burdens on Developers and NYISO and identify opportunities to reduce uncompensated expenditures by the NYISO in reviewing qualifications.

Mr. Duda reviewed the current process and highlighted the changes to that process. A rationale and benefits associated with each process revision was provided. A comparison of the NYISO Developer Qualification Process to other Control Area processes was also provided for stakeholder reference. The NYISO will continue to develop the process improvements with consideration of stakeholder input and anticipates a July 2021 filing to FERC. To see the complete presentation, please go to: https://www.nyiso.com/documents/20142/20255668/04%20DQ_Improvement_Change_Proposals.pdf/3f004931-1aca-1d64-f0e1-5fef390a36aa

Public Policy Transmission Announcement

Ross Altman of the NYISO informed stakeholders that New York State has issued an Order determining a Public Policy Transmission Need (PPTN). This Order will require NYISO to initiate the Public Policy Transmission Planning Process.

The NYISO is continuing to review the order and will return to a future ESPWG/TPAS for a more thorough discussion.

FERC Filings

March 26, 2021

Joint NYISO-National Grid Section 205 filing of a Small Generator Interconnection Agreement among NYISO, National Grid and Tayandenega Solar (SA No. 2600)

March 22, 2021

Engineering, Procurement, and Construction Agreement (SA No. 2598) among the NYISO, NMPC, Roaring Brook and Flat Rock

March 22, 2021

NYISO filing of comments in response to FERC's NOPR related to Managing Transmission Line Ratings

FERC Orders

March 24, 2021

Letter Order accepted EPC Agreement (SA 2592) among the NYISO, NYPA, and PPM Roaring Brook, effective 1/25/2021 as requested.

ER21-1062-000

Filings and Orders:

http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp