

ELEVATE RENEWABLE ENERGY AND EASTERN GENERATION

NYISO Budget and Priorities Work Group

May 22, 2023



- **Elevate Renewables** is a national renewable energy development company focused on the strategic deployment of battery energy storage resources co-located at existing large generation facilities owned by private equity funds managed by ArcLight Capital Partners, LLC (“ArcLight”). Elevate is developing co-located battery storage projects at ArcLight’s existing 25,000 MW power infrastructure portfolio.
- **Eastern Generation** is the owner, operator, and manager of electric power generating facilities participating in the regional wholesale markets operated by the New York, New England, and PJM independent system operators. In total, Eastern Gen’s management portfolio consists of approximately 9,000 megawatts of generation.
- Eastern Generation and Elevate Renewable are portfolio companies of a fund managed by Arclight.

- **Overview** of Co-Located Storage Resources (CSR) Model
 - Background on Committee Action on Inclusion of CSR Resources
 - Current CSR Use Cases
- **Proposal** to Update CSR Model to Include ESR + Steam Turbine
- **Benefits** of Adding Steam Turbines as Additional CSR Use Case
- **Proposed Updates** Needed to Effectuate
- **Potential Deliverables** and Next Steps

Background: A majority of stakeholders at the December 14, 2022 Business Issues Committee and the December 21, 2022 Management Committee supported NYISO and stakeholder-developed amendments to the CSR model to permit use cases for ESR pairing with select resources:

- ESR + Fast-Start Resource
- ESR + Limited Control Run-of-River Hydro Resource (RoR)
- ESR + Landfill Gas Intermittent Power Resources

Tariff changes are anticipated to be filed with FERC in Q3 2023.

Use Case:

Current CSR Use Cases and Participation Models

1. Use Case 1: ESR + Fast-Start Resource

- 1a – Could participate as a Generator [1 PTID].
 - Use case 1a is not addressed in this presentation.
- 1b – Could participate as Co-located Storage Resources (CSR) [2 PTIDs]

2. Use Case 2: ESR + (Landfill Gas IPR or RoR)

- 2a - Could participate as a Hybrid Storage Resource (HSR) [1 PTID].
 - Use case 2a is not addressed in this presentation.
- 2b - Could participate as Co-located Storage Resources (CSR) [2 PTIDs]

3. Use Case 3: ESR + Limited Control Run-of-River Hydro Resource (RoR)

Proposal to Update CSR Model:

Update the CSR Model to Allow for Steam Turbines: ESR + Steam Turbine

Proposed addition of a fourth Use Case and Participation Model

4. Proposed Use Case 4: ESR + **Steam Turbine** Resource

- 4a: Could participate as a Generator [1 PTID]
- 4b. Could participate as Co-located Storage Resources (CSR) [2 PTIDs]

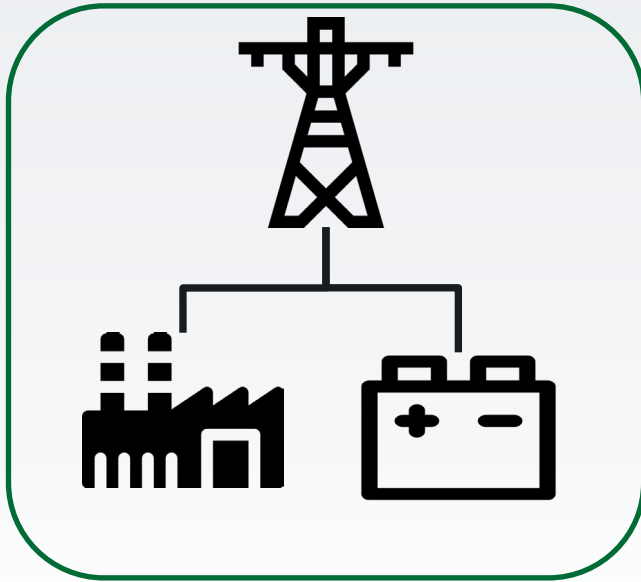
Applicability:

There are 10 remaining Steam Turbine facilities representing a total of 10,637 MWs

Similar to Fast Start Resources, the addition of Steam Turbine Resources will provide a path for the efficient utilization of existing interconnection resources and the eventual opportunity for the retirement of the fossil asset.

Proposal to Update CSR Model (Cont):

Update the CSR Model to Allow for Steam Turbines: ESR + Steam Turbine

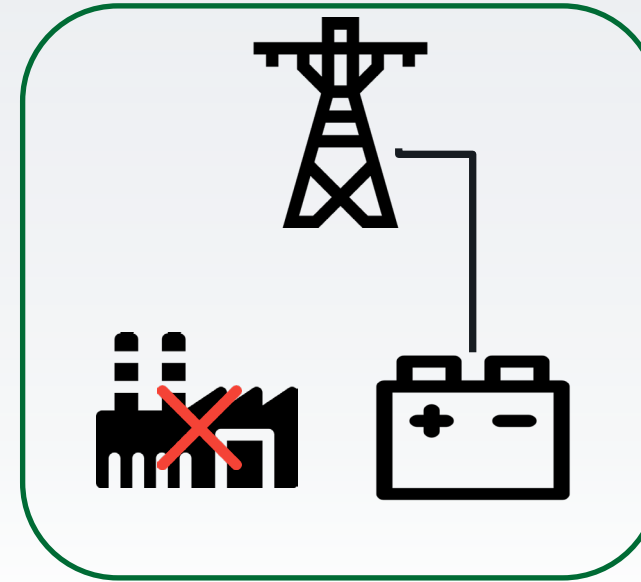


Co-located

Description: Adding a new battery to an existing power plant site. Each operates in a coordinated fashion.

Interconnect: Each shares the same point of interconnection

Benefit: Reduce the need for new industrial land conversion. **Reduce the runtime and emissions of the existing fossil asset.**



Asset Replacement

Description: Adding a new battery to an existing power plant site. The battery replaces the existing fossil asset.

Interconnect: The battery reuses the existing interconnection facilities and capacity rights

Benefit: Reduce the need for new industrial land conversion. **Permanently removes the fossil resource.**

- CSR program “reduce[s] development costs by sharing interconnection facilities.”
- CSR program “reduces barriers to entry for ESRs.”
- Similar to the ESR pairing with Fast-Start Resources, ESR with Steam Turbines will be eligible to provide Energy and Ancillary Services.
- ESR would not be eligible for ICAP revenues while existing ST is in-service
- ESR + ST could simultaneously operate up to the current ERIS of the ST

Proposed Updates:

Minimal Updated Need to Extend Eligibility to Steam Turbines

- **Example of Proposed Updated CSR Definition to Include Steam Turbine**
 - *Co-located Storage Resources (“CSR”): A wind, solar, landfill gas Intermittent Power Resource, Limited Control Run of River Hydro Resource, a Fast-Start Resource, **or Steam Turbine** and an Energy Storage Resource that:*
 - (a) are both located behind a single Point of Injection (as defined in Section 1.16 of the OATT);*
 - (b) participate in the ISO Administered Markets as two distinct Generators; and*
 - (c) share a set of CSR Scheduling Limits. Resources that serve a Host Load may not participate in the ISO-Administered Markets as components of a CSR.*

Potential Deliverables and Next Steps

- The project will identify tariff, software, and/or procedural changes needed to permit CSRs composed of Steam Turbines and ESRs to participate in the NYISO Energy, Ancillary, and Capacity Markets
- The proposal would also address matters including metering, interconnection, and mitigation in the Energy and Capacity Markets.

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