

## NYISO Consumer Interest Liaison Weekly Summary

**December 9 – December 13, 2019**

### **Notices:**

- The NYISO has **updated the 2019 and 2020 Demand Curve Reset Schedule** and reposted it to the Installed Capacity Market page to reflect the anticipated working group dates through 2020. It can be found under Installed Capacity Market Data > Reference Documents > 2021-2025 Demand Curve Reset. See [here](#).
- At Stakeholder request, a **new slide (#9) has been added to the IESO Proxy Bus presentation** that provides the distribution over the 4 free flowing ties. [Revised Presentation](#)
- The [clean](#) and [redline](#) versions of **NYISO Transmission Congestion Contracts Manual (M-03)** and related Attachments R, T and U, have been posted to the [Manuals, Technical Bulletins & Guides webpage](#) under Manuals>Review.
- The NYISO has posted the **“Completed Generator Deactivation Notice” for Somerset** located in Somerset, New York to the Planning/Generator Retirements location on its website. On Thursday, December 12, 2019, the NYISO determined Somerset Operating Company, LLC’s Generator Deactivation Notice was complete. [Generator Deactivation Notice](#)

### **Meeting Summaries:**

**Monday, December 9, 2019**

**Load Forecasting Task Force**

**2020 Preliminary ICAP Forecast**

Max Schuler of the NYISO updated the 2020 Preliminary Installed Capacity (ICAP) forecast. Mr. Schuler led a review of the 2020 Regional Load Growth Factors received from the Transmission Owners and provided updated preliminary load forecasts by Capacity Zone, Load Zone and Transmission District. The NYISO will calculate and post the final 2020 ICAP Forecast following the

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completion of the New York State Reliability Council Final Installed Reserve Margin report. To see the complete presentation, please go to:  
<https://www.nyiso.com/documents/20142/9657779/2020%20Preliminary%20ICAP%20Forecast.pdf/329b88ac-55e4-cc64-c63f-af6d4df4fbd2>

**Wednesday, December 11, 2019**

**Business Issues Committee**

**Motion #1:**

Motion to approve the Minutes of the October 16, 2019 and November 6, 2019 BIC meetings.

**Motion passed unanimously.**

**Motion #2:**

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve the concepts presented by the NYISO to implement the Short-Term Reliability Planning Process, including the concepts set forth in revisions to the Services Tariff Attachment H provided to Market Participants in advance of the meeting, as presented and discussed at the December 11, 2019 BIC meeting.

**Motion passed unanimously.**

**Wednesday, December 11, 2019**

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

**NYISO 2019-2020 ICAP Demand Curve Reset**

Matt Lind of Burns McDonnell led a discussion on the proposed screening criteria for the selection of the 2020-2021 Demand Curve Reset (DCR) proxy unit. Mr. Lind presented the following criterion for the establishment of the proxy unit:

- Standard generating facility technology – available to most market participants
  - Technology not limited by geographical region or other aspects
- Mature market technology
  - Commercial operating experience in North America
- Unit characteristics that can be economically dispatched
- Ability to cycle and provide energy or ancillary services
- Capable of being designed to meet applicable environmental and other operating requirements, including NYSDEC/EPA air quality standards

The initial technology options were identified by technology grouping:

- *Aero SCGT Technology*
- *Frame SCGT Technology*
- *Reciprocating Engine (RICE) Technology*
- *Battery Technology*

Consistent with the last reset, a high level assessment of a combined cycle unit will be conducted for informational purposes. Preliminary cost for each technology was provided for a high-level cost comparison to be used only in the initial screening process.

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It was noted that Burns-McDonnell will not be recommending consideration of the RICE technology for this DCR process.

Mr. Lind explained that lithium-ion battery technology will be used for the battery technology proxy choice. This decision is based primarily on the fact that lithium-ion battery technology represents approximately 80% of market installations. Mr. Lind noted that there are a host of factors to consider for batteries that differ from traditional fossil-fuel peaking technology options and opportunities to discuss these considerations will be provided in the process.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/9699253/BMcD%20DCR%20ICAPWG%20121119%20Final.pdf/724c01cf-1057-3654-11f7-d258d8d8de0b>

#### NYISO 2019-2020 ICAP Demand Curve Reset: Initial Modeling Discussions

Todd Schatzki and Paul Hibbard of The Analysis Group (AG) led a discussion with stakeholders on the approach to modeling the energy and ancillary services (EAS) revenues for the 2020-2021 Demand Curve Reset (DCR) process proxy unit. Mr. Hibbard clarified that this discussion would not include cost data but would gather stakeholder feedback on the methodology of estimating the EAS revenues. Mr. Schatzki reviewed the 2016-2017 DCR EAS methodology, which introduced a historical forecast approach that estimates net EAS revenues based on three years of historical price data. An alternative methodology was considered, where if all impacts were known and measurable, a one-time change to the net EAS approach could be made to account for the impact on price of future, anticipated changes in market rules and/or market conditions. Mr. Schatzki explained that this alternative methodology could lead to uncertainty of the impacts to prices. Examples were provided to illustrate the difficulty of estimating the impact of future projects.

AG recommends not incorporating a one-time adjustment, as annual updates using historical data allow the impacts of new market rules and policies to be gradually phased into net EAS revenues estimates over time based on the actual impacts of market rule or policy changes. Avoiding uncertain and potentially inaccurate ad hoc adjustments aligns with the DCR guiding principles of following economic principles, accuracy, transparency, feasibility, and historical precedent.

AG is currently evaluating the appropriate methodology to model net EAS revenues for energy storage resources (ESR). Mr. Schatzki noted that there are several issues that differ from traditional generation to consider when evaluating ESR EAS revenues. Several stakeholders provided input into these considerations.

To see the complete AG presentation, please go to:

<https://www.nyiso.com/documents/20142/9699253/AG%20DCR%20ICAPWG%20121119%20Final.pdf/3398d2c9-679a-a857-bc70-9280e4944db0>

#### Spring 2020 Centralized TCC Auction Survey and Discussion

Gregory Williams of the NYISO presented the results of the Spring 2020 Centralized TCC Auction Survey for discussion with stakeholders. The NYISO conducted a poll of current TCC Market Participants (MPs) to solicit information about the demand for TCCs of various durations in future

auctions as well as the desired structure of the Spring 2020 Centralized TCC Auction. Mr. Williams shared the results of the survey and led a discussion of the written comments received from MPs. In a discussion of a stakeholder request for posting the Spring and Autumn TCC auction timelines at the same time, Mr. Williams noted that the NYISO would give consideration to the concept. The Spring 2020 Centralized TCC Auction will consist of:

- 8 Auction Rounds
  - 5% of system capacity as two-year TCCs in a single auction round
  - 20% of system capacity as one-year TCCs across three auction rounds
  - 45% of system capacity as six-month TCCs across four auction rounds

The remaining 30% of system capacity was sold as two-year TCCs in the Spring 2019 Centralized TCC Auction and as one-year TCCs in the Autumn 2019 Centralized TCC Auction. A proposed schedule was provided with Round 1 beginning on February 7, 2020 and concluding with Round 8 beginning on April 3, 2020.

Before finalizing the Auction schedule, the NYISO needs to confer with the affected Transmission Owners concerning proposed auction plans with fewer than four rounds per Sub-Auction. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/9699253/Spring%202020%20TCC%20Auction%20Survey%20and%20Discussion-FINAL-Approved.pdf/5058d576-ae8d-eab5-7d6a-ba63e0c65807>

#### **Thursday, December 12, 2019**

#### **Operating Committee**

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

The Operating Committee (OC) hereby approved the meeting minutes from October 17, 2019 and November 8, 2019.

*The motion passed unanimously by show of hands with an abstention.*

##### **Motion #2a:**

The Operating Committee (OC) hereby approves the Q#766 NY Wind Holbrook System Reliability Impact Study (SRIS) revised scope as presented and discussed at the December 12, 2019 OC meeting.

*The motion passed unanimously by show of hands.*

##### **Motion #2b:**

The Operating Committee (OC) hereby approves the Q#766 NY Wind Holbrook Optional Interconnection System Reliability Impact Study #1 scope as presented and discussed at the December 12, 2019 OC meeting.

*The motion passed unanimously by show of hands.*

##### **Motion #2c:**

The Operating Committee (OC) hereby approves the Q#766 NY Wind Holbrook Optional Interconnection System Reliability Impact Study #2 scope as presented and discussed at the December 12, 2019 OC meeting.

*The motion passed unanimously by show of hands.*

##### **Motion #2d:**

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The Operating Committee (OC) hereby approves the Q#899 Scriba-Volney Series Reactor System Impact Study (SIS) scope as presented and discussed at the December 12, 2019 OC meeting.

***The motion passed unanimously by show of hands.***

**Motion #3:**

The Operating Committee (OC) hereby recommends that the Management Committee approve the concepts presented by the NYISO to implement the Short-Term Reliability Planning Process, including the concepts set forth in revisions to the Services Tariff Attachment H provided to Market Participants in advance of the meeting, as presented and discussed at the December 12, 2019 OC meeting. The motion passed unanimously by show of hands. Motion #4: The Operating Committee (OC) hereby approves the revisions to the Reliability Planning Process Manual as presented and discussed at the December 12, 2019 OC meeting.

***The motion passed unanimously by show of hands***

**Friday, December 13, 2019**

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

**Comprehensive Mitigation Review**

Mike DeSocio of the NYISO presented an overview of the effort to conduct a “*Comprehensive Mitigation Review*”. The project was originally defined as:

*The NYISO will perform a comprehensive review to examine the current BSM framework and principles to determine whether the rules efficiently mitigate concerns of buyer-side market power for both traditional and new resource types with both private and public funding considerations.*

The NYISO believes it is necessary to expand the objective of the project to modify NYISO market structures in a balanced manner that preserves competitive price signals and economically efficient market outcomes required to maintain system reliability while supporting the Climate Leadership and Community Protection Act (CLCPA) goals. Some stakeholders commented that the expansion of the project scope should be limited and specific to avoid too large an undertaking.

Another stakeholder noted that guidance from pending FERC decisions will be important to the process.

Mr. DeSocio provided initial options for stakeholder consideration which includes feedback from industry experts and stakeholder comments in the NY Public Service Commission Resource Adequacy Matters docket. The NYISO believes it is prudent to focus discussions on those options that can be designed and implemented consistent with the timeline necessary to support achievement of the CLCPA goals, while having a meaningful impact towards the objective of this project. A full range of options reflected in the presentation include:

- Contractual Models
- Enhancements to Capacity Market
- Redesign of Capacity Market

A stakeholder suggested that it is important for the NYISO to detail the objectives early in the process to provide a more comprehensive view of the goals. Other stakeholders noted that this would also help to avoid counter-productive discussion early in the process. Mr. DeSocio also noted a stakeholder suggestion to develop a list of issues the NYISO feels need to be addressed overall to provide a more holistic view to the market participants.

The NYISO is very interested in feedback from stakeholders regarding the options discussed at the meeting or any additional options that may exist that the NYISO and stakeholders should consider.

Written comments can be sent to [deckels@nyiso.com](mailto:deckels@nyiso.com) and are requested by January 3, 2020 for inclusion in the next discussion on the matter in a January ICAPWG.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/9766969/Comprehensive%20Mitigation%20Review.pdf/dda25f2b-8fdf-e50b-7547-94709cf4b02f>

## **FERC Filings**

### **December 13, 2019**

NYISO filing of informational report re: 2018 Simultaneous Import Limit Determination study

### **December 13, 2019**

NYISO filing on behalf of Niagara Mohawk Power Corporation ("Niagara Mohawk" ) of a cost reimbursement agreement (SA 2499) between Niagara Mohawk and Northbrook Lyons Falls LLC

## **FERC Orders**

### **December 12, 2019**

Letter Order accepted amended Engineering and Procurement Agreement (SA 2471) between Niagara Mohawk Power Corporation and Invenergy Wind Development, LLC

## **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)