

NYISO Consumer Interest Liaison Weekly Summary

July 15 – July 19, 2019

Notices:

- The <u>draft</u> version of the new NYISO TB-249 "TCC Market: Modeling of the Blissville PAR", has been posted to the <u>NYISO Manuals</u>, <u>Guides</u>, <u>and Technical Bulletins webpage</u> under Review. This Technical Bulletin describes the treatment of the Blissville Phase Angle Regulator (PAR) in Transmission Congestion Contracts (TCC) Auctions.
- The <u>redline</u> and <u>clean</u> versions of **NYISO Installed Capacity Manual (M-04)**, have been posted to the <u>Manuals, Technical Bulletins & Guides webpage</u> under Manuals, Under Review. All proposed changes will be presented at the August BIC and OC.
- The <u>redline</u> and <u>clean</u> versions of NYISO Transmission and Dispatch Operation Manual (M-12), have been posted to the <u>Manuals, Technical Bulletins & Guides webpage</u> under Manuals, Under Review. All proposed changes will be presented at the August BIC and OC.

Meeting Summaries:

Monday, July 15, 2019

Joint Installed Capacity/Market Issues/Price Responsive Load Working Group Reserves for Resource Flexibility

Ethan Avallone of the NYISO presented the proposal to secure "Reserves for Resource Flexibility". The variability and unpredictability of wind and solar generation presents a challenge for future grid operations as the share of these resources continues to increase as part of our generation mix. The grid will need responsive and flexible resources to address changes in net load, as well as support reliable operations.

Today, the NYISO procures the amount of operating reserves required to meet the minimum reliability standards established by NERC, NPCC, and NYSRC. These reserves serve to bring transmission assets to Emergency Transfer Criteria after suffering a contingency. Procuring additional reserves where

appropriate will provide ready access to additional resource flexibility through a market-based mechanism to bring transmission assets to Normal Transfer Criteria following a contingency. Mr. Avallone provided MW values of existing and proposed wind, solar and storage nameplate capability to illustrate that these resources are anticipated in the future. It is important to send the appropriate price signals to the market to incentivize developers to provide the type of attributes the grid will require in the future.

Mr. Avallone explained that the initial analysis confirmed that the current 1,300 MW 30-minute reserve requirement provides ready access to sufficient resource capability to recover from the first worst contingency in SENY, and return transmission facilities in SENY to Emergency Transfer Criteria after suffering a contingency. The analysis further demonstrated that increasing the SENY 30-minute reserve requirement by an additional 500 MW provides ready access to resource capability that allows the NYISO to return transmission facilities into SENY to Normal Transfer Criteria after suffering a contingency. In addition to returning facilities to Normal Transfer Criteria, additional reserve procurements could provide a mechanism to account for forecast uncertainty introduced by increasing reliance on weather-dependent resources. The NYISO will analyze load forecast error, net of the wind forecast error, within the 10-minute and 30-minute timeframe to inform appropriate additional reserve requirements.

The NYISO will continue to analyze data and present results to stakeholders throughout Summer 2019. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/7575688/7_15_2019_Reserves_for_Resource_Flexibility_FI_NAL.pdf/60a62b16-895c-9185-9ba5-d3538da9e10b

External Capacity Performance and Obligations Deliverability and Eligibility

Amanda Carney of the NYISO presented proposed updates to the Installed Capacity (ICAP) Manual. Ms. Carney provided the location of previous presentations to the ICAP/MIWG on importing Capacity from ISO-NE and IESO for reference.

One change to the ICAP Manual is intended to document the IESO process for exporting Capacity into the NYCA. IESO submits a letter to the NYISO in advance of each NYISO capability period to indicate which resources successfully passed IESO's evaluation. These resources are thus deemed by NYISO as eligible to sell capacity in the upcoming NYISO auctions. This process is currently documented in memorandum of understanding between IESO and NYISO, as well as IESO Market Manual 13.

The NYISO is also revising the ICAP Manual to reflect the ISO-NE process for exporting Capacity to the NYISO. Resources that obtain Capacity Network Resource Capability (CNRC) in ISO-NE (equivalent to CRIS) must then perform a Seasonal Claimed Capability (SCC) test (equivalent to DMNC). The NYISO believes that leveraging ISO-NE deliverability standards is sufficient for the NYISO's satisfaction of deliverability. Capacity suppliers physically located in ISO-NE must then fulfill at least one of the following options to be eligible to sell into NYISO capacity markets:

- Submit an Export De-List bid
- Demonstrate that there is no import or export constraint between the resource and the NYCA These two options are detailed in the draft ICAP Manual changes posted with the July 15, 2019 meeting materials.

Also posted with today's meeting materials are updates to the draft Transmission and Dispatch Manual to provide more clarity on the external Supplemental Resource Evaluation (SRE) selection process (corresponding to the External SRE Penalty piece of this project).

The NYISO will continue to refine and document the processes required for External Capacity Suppliers in anticipation of September 2019 governance action on the proposal. To see the complete presentation, please go to: https://www.nyiso.com/icapwg?meetingDate=2019-07-15

Wednesday, July 17, 2019

Business Issues Committee

Motion #1:

Motion to approve the Minutes of the June 20, 2019 BIC meeting.

Motion passed unanimously with one abstention

Motion #2:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve revisions to Attachment L of the Open Access Transmission Tariff, as more fully described in the presentation entitled "Revisions to OATT Attachment L" made to the BIC on July 17, 2019. *Motion passed unanimously with one abstention*

Motion #3

The Business Issue Committee ("BIC") hereby approves the revisions to the Transmission Expansion and Interconnection Manual as described in the presentation to the BIC meeting on July 17, 2019. *Motion passed unanimously with two abstentions*

Wednesday, July 17, 2019

Budget and Priorities Working Group

2019 Project Schedule Milestone Update

Robb Pike of the NYISO presented the status update for the 2019 project schedule milestones. Throughout the year, the NYISO presents project status updates to stakeholders. Mr. Pike led a review of the 2019 projects and highlighted status changes by product category. Projects with status changes include:

CRIS for External – ROS Transmission Investments
Rate Schedule 12 Settlement
Financial Risk Assessment and Scoring Enhancement
Vendor Management Tool
Carbon Pricing
Network Infrastructure Upgrade
Database Platform Upgrade -2019
At Risk/Delayed
On Schedule
On Schedule

While reviewing the projects with stakeholders, Mr. Pike took the opportunity to make stakeholders aware that the following projects would be discussed in upcoming working group meetings:

- Enhancing Fuel and Energy Security
- Competitive Entry Exemption for Increased CRIS
- BSM Repowering
- Tailored Availability Metric
- Demand Curve Reset
- External Capacity Performance & Obligations
- DER Participation Model
- Enabling Technologies for DER
- NYISO Pilot Framework

- Carbon Pricing
- More Granular Operating Reserves (SOM)
- Ancillary Services Shortage Pricing (SOM)
- Enhanced Fast Start Pricing
- Reserve for Resource Flexibility
- Comprehensive System Planning Process Review
- Climate Change Impact and Resilience Study
- Deliverability and Interconnection Process Redesign

To see the complete presentation, please go to:

 $\frac{https://www.nyiso.com/documents/20142/6753250/05\%202019\%20Project\%20Schedule\%20Milestone\%20update.pdf/dc4519c3-80eb-7a45-fffe-5cccf8a38284$

Stakeholder Survey Results and NYISO Scoring of 2020 Proposed Market Projects

Brian Hurysz of the NYISO presented the results of the 2020 Project Prioritization Process stakeholder scoring survey for market projects. Mr. Hurysz began with a brief review of the components used to determine the score on a project.

The project candidates were provided in tabular form with the stakeholder scores assigned. Raw score, weighted score and sector count were totaled by project and assigned an appeal score.

Extensive stakeholder comments on projects were provided for review with stakeholders.

Mr. Hurysz next led a review of the NYISO project scores, with and without the appeal score. NYISO and stakeholders agreed that the highest scored project candidate is Ancillary Services Shortage Pricing.

Cost estimates were provided for each project candidate with the total for all projects amounting to \$44.26 M. The NYISO budget has historically committed between \$21.6 to \$28.95 M for the Project Budget, indicating that not all project candidates will become projects for 2020.

The NYISO's initial project budget recommendation will be presented for stakeholder review and discussion at the July 31, 2019 BPWG meeting. Stakeholder feedback will be considered as the NYISO provides the revised 2020 project budget recommendation at the August 28, 2019 BPWG meeting.

To see the complete presentation, please go to:

 $\frac{\text{https://www.nyiso.com/documents/20142/7617587/02\%20Stakeholder\%20Survey\%20Results\%20NY}{\text{ISO}\%20Scoring\%202020\%20Proposed\%20Market\%20Projects.pdf/95ab2172-61b1-6d0a-fe4e-0fb49afb603b}$

NYISO Scoring of 2020 Proposed Enterprise Projects

Brian Hurysz of the NYISO provided the results of the Project Prioritization Process scoring survey for 2020 for enterprise projects. Enterprise projects consist of projects undertaken for internal NYISO needs. Stakeholders do not vote on enterprise projects. The NYISO presents the project scores, costs and ranking for transparency purposes, as the enterprise projects will be included in the total NYISO project budget for 2020. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/7617587/03%20NYISO%20Scoring%20of%202020%20Proposed%20Enterprise%20Projects.pdf/89aafcd1-0803-5ec7-6dde-32aff5b3ec48

Thursday, July 18, 2019 Operating Committee Motion #1:

The Operating Committee (OC) hereby approves the meeting minutes from June 21, 2019.

The motion was passed unanimously.

Motion #2:

The Operating Committee (OC) hereby approves the revisions to the Transmission Expansion and Interconnection Manual as presented and discussed at the OC meeting on July 18, 2019. *The motion was passed unanimously.*

Motion #3a:

The Operating Committee (OC) hereby approves the Q#678 Calverton Solar System Reliability Impact Study (SRIS) report as presented and discussed at the July 18, 2019 OC meeting. *The motion was passed unanimously*

Motion #3b:

The Operating Committee (OC) hereby approves the Q#695 South Fork Wind II System Reliability Impact Study (SRIS) report as presented and discussed at the July 18, 2019 OC meeting. *The motion was passed unanimously.*

Motion #3c:

The Operating Committee (OC) hereby approves the Q#697 Ravenswood Energy Storage I System Reliability Impact Study (SRIS) report as presented and discussed at the July 18, 2019 OC meeting, provided, however, Q#697 Ravenswood Energy Storage, Q#698 Ravenswood Energy Storage II and Q#699 Ravenswood Gas Project cannot all proceed to beyond the SRIS to the Class Year Interconnection Facilities Study stage absent nonmaterial modifications to one of more of the above-referenced projects that would allow evaluation of the 3 projects at the Class Year Interconnection Facilities Study stage (i.e., Developer may only proceed and complete a Class Year Interconnection Facilities Study for up to two of the three projects in the projects' currently proposed configurations and capacity).

The motion was passed unanimously.

Motion #3d:

The Operating Committee (OC) hereby approves the Q#698 Ravenswood Energy Storage II System Reliability Impact Study (SRIS) report as presented and discussed at the July 18, 2019 OC meeting, provided, however, Q#697 Ravenswood Energy Storage, Q#698 Ravenswood Energy Storage II and Q#699 Ravenswood Gas Project cannot all proceed to beyond the SRIS to the Class Year Interconnection Facilities Study stage absent nonmaterial modifications to one of more of the above-referenced projects that would allow evaluation of the 3 projects at the Class Year Interconnection Facilities Study stage (i.e., Developer may only proceed and complete a Class Year Interconnection Facilities Study for up to two of the three projects in the projects' currently proposed configurations and capacity).

The motion was passed unanimously.

Motion #3e:

The Operating Committee (OC) hereby approves the Q#699 Ravenswood Gas Project System Reliability Impact Study (SRIS) report as presented and discussed at the July 18, 2019 OC meeting, provided, however, Q#697 Ravenswood Energy Storage, Q#698 Ravenswood Energy Storage II and Q#699 Ravenswood Gas Project cannot all proceed to beyond the SRIS to the Class Year Interconnection Facilities Study stage absent nonmaterial modifications to one of more of the above-

referenced projects that would allow evaluation of the 3 projects at the Class Year Interconnection Facilities Study stage (i.e., Developer may only proceed and complete a Class Year Interconnection Facilities Study for up to two of the three projects in the projects' currently proposed configurations and capacity).

The motion was passed unanimously.

FERC Filings

July 19, 2019

Motion requesting action on compliance filing, notice of implementation plans, and conditional request for tariff waivers regarding the application of buyer-side mitigation measures to certain intermittent renewable resources

FERC Orders

July 17, 2019

FERC order accepted revisions to modify the requirements for the provision of cash collateral, effective August 14, 2019, as requested

June 17, 2019

FERC order accepted compliance tariff revisions, effective on June 11, 2019, as requested

Filings and Orders:

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