

NYISO Consumer Interest Liaison Weekly Summary

July 22 – August 16, 2019

Notices:

- *The new Cricket Valley – Pleasant Valley 345 kV F84 line was placed in service on Sunday, July 28, 2019. The Cricket Valley – Pleasant Valley 345 kV F84 line is expected to remain in service as the normal Con Edison grid configuration.*
- *The training slides for the July 26, 2019 BSM information session are posted at the link below.*
[BSM Information Slides](#)
- *Stakeholder comments on cost containment for public policy transmission planning process have been posted for the August 20, 2019 ESPWG-TPAS-ICAPWG meeting. [Comments](#)*

Meeting Summaries:

Wednesday, July 24, 2019

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

Tailored Availability Metric

Emily Conway of the NYISO presented the analysis performed for availability-based resources using the EFORD to determine the Seasonal Derating Factor (AEFORd). In the analysis completed thus far for availability-based resources, statistics have been compiled that more accurately reflect event data for these different resource types. Ms. Conway explained the methodology used to evaluate the outage rate as compared to system peak and non-peak hours. Three peaker gas turbine units and one steam turbine were used in the analysis.

The NYISO has concluded that at this time, the current structure of the EFORD calculation captures the incentive to be available during peak hours. The NYISO proposes to weight peak months more heavily in the EFORD calculation and monthly weightings will be analyzed as a part of the Market Design Complete.

The next step in this process will be to begin detailed discussions of assessing performance-based resources at a later working group meeting.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/7674442/Tailored%20Availability%20Metric.pdf/e28df5c2-6994-ba5c-7ca2-05abe9daeb>

Wednesday, July 31, 2019

Management Committee

Motion #1:

Motion to approve the draft April and June, 2019 Management Committee meeting minutes.

The motion passed unanimously by show of hands.

Motion #2:

The Management Committee hereby determines that a new Cost of Service study should NOT be conducted during late 2019 and 2020 to inform a decision on whether a modification of the 72%/28% cost allocation between Withdrawal Billing Units and Injection Billing Units is warranted, pursuant to OATT Section 6.1.2.3. In Favor = No Study Opposed=Study will be conducted

The motion passed by show of hands with opposition by UIU and MEUA (Village of Solvay, Village of Fairport, Village of Westfield, Village of Arcade, Plattsburgh Municipal Lighting Dept., Municipal Commission of Boonville, Lake Placid Village, Bath Electric, Gas & Water Systems, NYS Department of State) and an abstention by Galt Power.

Motion #3:

The Management Committee (“MC”) hereby: (i) approves 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 MC on July 31, 2019; and (ii) recommends that the NYISO Board of Directors authorize the NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion passed by show of hands with an abstention.

Wednesday, July 31, 2019

Budget and Priorities Working Group

2019 Budget vs. Actual Results

Cheryl Hussey of the NYISO presented the 2019 year-to-date budget vs. actual status. Rate Schedule 1 recoveries are \$0.7M below budgeted revenues through June. Year-to-date budgeted costs vs. actual costs through June reflect a \$2.6M budget under-run. To see Ms. Hussey’s complete presentation, please go to:

https://www.nyiso.com/documents/20142/7760206/02%20Budget_vs_Actual%20Results.pdf/47454626-992a-a162-8f55-53edfa186e40

Proposed FERC Fee Recovery

Cheryl Hussey of the NYISO presented the proposal for recovery of the 2020 FERC fee. Ms. Hussey explained that FERC’s Budget has increased an average of 3% annually for Fiscal Years 2010-2019. The NYISO has experienced an average increase of approximately 3% annually during this same timeframe. The NYISO proposed amount for Fiscal Year 2020 FERC fee recovery is \$13.5M. This value represents an increase of approximately 4% from Fiscal Year 2019 actual fee assessed. To see Ms. Hussey’s complete presentation, please go to:

<https://www.nyiso.com/documents/20142/7760206/03%20FERC%20FEE%20Estimate.pdf/82213210-9cf2-9bf3-dba1-d675706b897d>

Friday, August 2, 2019

**Joint Installed Capacity/Market Issues/Price Responsive Load Working Group
Fuel and Energy Security Study Preliminary Results**

Dr. Paul Hibbard of The Analysis Group (AG) presented the preliminary results of the fuel and energy security study. Dr. Hibbard provided an overview of the modeling approach using scenarios that stress the system to determine where there are vulnerabilities associated with the dependence on natural gas. The framework of analysis outputs was explained to provide stakeholders an opportunity for feedback on data and format.

Charles Wu led a review of the type of outputs that would be provided by the AG model. Case models were explained and results were provided for discussion with stakeholders. Feedback from stakeholders was noted for consideration.

The next step in the process will be to review the case outcomes based on stakeholder feedback received at and following the presentation and complete any additional modeling runs required. The key takeaways will be considered based on the analysis. AG will return to present additional findings and observations. It was noted that AG will not be providing specific recommendations based on this study.

To see the complete materials for the AG presentation, please go to:

<https://www.nyiso.com/documents/20142/7810386/AG%20Fuel%20Security%20Prelim%20Results%2020190802%20MIWG.pdf/fe0876cc-f879-0201-e4ee-b30fc2409fc7>

Competitive Entry Exemption Non-Qualifying Contract Rule Review

Jonathan Newton of the NYISO updated the proposal to modify existing Competitive Entry Exemption (CEE) rules to exclude from the category of “non-qualifying contracts” certain contracts with “non-qualifying entities” that are obtained in an open, transparent, non-discriminatory, and competitive manner. This proposed change would allow generators and utilities to enter into competitive contracts to hedge risk while still fulfilling the objective of the buyer-side mitigation measures. The NYISO intends to link this proposal with the 2019 Repowering Project to allow existing portfolio owners that have entered into competitive short term hedging contracts to qualify for the CEE.

Mr. Newton reminded stakeholders of the proposed criteria to determine if a contract was awarded in a manner that meets the proposed standards:

- *Maximum term of the contract is three years*
- *Both new and existing resources can satisfy the requirements of the procurement process*
- *The selection process does not give preference to new resources*
- *The process does not use indirect means to discriminate against existing capacity*
- *The requirements are fully objective and transparent*
- *Contract awards are determined based on lowest offers received*
- *The terms do not restrict the type of capacity that may participate in and satisfy the requirements of the contract*

In response to requests from the most recent proposal presentation, Mr. Newton provided several examples of contract scenarios that would or would not meet the proposed criteria. Discussion of the examples with stakeholders assisted in clarifying the distinctions within the examples.

The next step for this process will be for the NYISO to prepare and present tariff language to the ICAPWG for stakeholder consideration and discussion. To see the complete presentation, please go to: https://www.nyiso.com/documents/20142/7810386/CEE%20Competitive%20Contract%20Rule%20Review_P3_Aug%202%20ICAPWG.pdf/801f13b4-a0d2-91d2-9541-7acafae7991f

Astoria Generating Company L.P.'s, operating under Eastern Generation, LLC, (collectively "AGC")

Implementation Agreement Talking Points for MIWG

Shaun Johnson of the NYISO introduced and described the implementation agreement related to the Astoria Generating Company's Units 3 and 5 conversion to provide the ability to burn ULSD fuel.

This conversion was necessitated by the New York City local law requiring the units to stop burning No. 6 Fuel Oil by January 2022. The document has been posted with the August 2, 2019

ICAP/MIWG/PRLWG meeting materials at:

https://www.nyiso.com/documents/20142/7810386/Astoria%20Implementation%20Agreement%20Talking%20Points_MIWG.pdf/ea2cf17a-0203-232b-efa5-b7e1bd1090bf

Tuesday, August 6, 2019

Joint Installed Capacity/Electric System Planning Working Group/Transmission Planning Advisory Subcommittee

Key Deactivation Study Assumptions for: Albany LFGE

Keith Burrell of the NYISO presented the key assumptions for the Albany LFGE generating facility deactivation study. Albany LFGE is a 5.6 MW nameplate generating facility in Zone F and has submitted a notice of retirement. The NYISO will use the base case from the 2019-2028

Comprehensive Reliability Plan (CRP) with the following updates:

- Load
 - Updated to match the 2019 Gold Book forecast
- Transmission
 - All firm Transmission Owner Local Transmission Plans (LTPs) from the 2019 Gold Book are included with the exception of the NYSEG Coopers Corners 345/115 & 115/34.5 kV transformers (due to target I/S outside of the inclusion period)
 - AC Transmission selected projects NAT/NYPA T027 and National Grid/Transco T019
- Generation Removals
 - Monroe Livingston
 - Auburn – State St
 - Steuben County LF
 - Hudson Ave 4
 - Q#511 Ogdensburg
- Generation Additions
 - Q#505 Ball Hill Wind

The NYISO will perform the Bulk Power Transmission Facility (BPTF) assessment while National Grid will perform the assessment of the non-BPTF. The Generator Deactivation Assessment for Albany LFGE will be completed by October 10, 2019. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/7834030/02%20Albany%20LFGE%20KeyAssumptions.pdf/0311cb63-ad14-5c31-122d-fe51de5471e0>

Class Year/Interconnection Queue Redesign

Thinh Nguyen of the NYISO updated the Class Year/Interconnection queue redesign. The NYISO has previously presented the proposed redesign to several ESPWG/TPAS meetings and Mr. Nguyen highlighted revisions to the most recent presentation.

In response to stakeholder feedback, revisions were made to the following proposals under the Deliverability Redesign umbrella:

- Require Deliverability Evaluation in SRIS
- Remove Additional SDU Studies from Class Year Study

Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYSIO or the discussions that take place at the meetings.

- Mini Deliverability Study for CRIS-Only Projects

Mr. Nguyen noted that the revisions to the CRIS expiration rules would be addressed in an upcoming meeting.

Under the revisions related to the Class Year Study efficiency improvements, Mr. Nguyen noted that the proposed updates would be implemented starting with Class Year 2019 for:

- Frontload Part 1 Study Analyses
- Eliminate Duplication in SRIS and Class Year Studies

The proposal under Require Project Data Earlier in Class Year Process would not be applicable to Class Year 2019. Several additional revisions were made on the proposal to revise and clarify regulatory milestone requirements. No additional changes were made to the most recent proposal to expand the definition of Class Year Transmission Project at this time.

The NYISO will continue to consider feedback and refine the proposals while developing tariff language through Q4. Comments are encouraged and can be sent to

interconnectionsupport@nyiso.com.

Note: Jonathan Newton of the NYISO read a notice: “Deadline to Request a Renewable Exemption or Competitive Entry Exemption for Class Year 2019”. The notice below was provided with the meeting materials on the NYISO website:

- *Requests for a Renewable Exemption or Competitive Entry Exemption must be received by the ISO no later than the deadline to notify the ISO of a Projects election to enter the Class Year, as set forth in 25.5.9 of the OATT. If any Examined Facility submits both a request for a Renewable Exemption and a Competitive Entry Exemption (i.e., seeking to be considered for both exemptions at the same time,) the ISO shall not consider the request for a Renewable Exemption.*

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/7834030/03%20Class%20Year%20Redesign.pdf/45928d8b-76a0-4551-78a6-309feb9c8109>

Performance Requirements for Inverter-Based Generation

Martin Paszek of Consolidated Edison (ConEdison) Transmission Planning Department provided updates to the performance requirements for inverter-based generation. To see the documentation provided by ConEdison, please go to: <https://www.nyiso.com/espwg>

CARIS 1 Base Case Assumptions Discussion

Arvind Jaggi of the NYISO updated the CARIS 2019 fuel price forecast. Mr. Jaggi led a review of the updated forecast methodology using blended trading hub costs. The outcomes of the revised methodology were provided.

Timothy Duffy of the NYISO updated changes to the CARIS 1 base case assumptions. Mr. Duffy noted that Cayuga 1 submitted a notice of its intention to mothball, and, therefore, the generator will be excluded from the base case model as of January 1, 2020.

An additional 2019 CARIS 1 scenario has been added; “70 x 30”. The description of this scenario is defined as:

Sufficient integration of renewables such that 70% of NY electric load could be served by renewable generation, incorporating specified wind, solar and storage MWs, + impact of environmental policies impacting coal and peaking units.

In response to stakeholder questions, Mr. Duffy explained that the assumptions for this scenario will be complex and will be developed along with the input of stakeholder feedback.

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Mr. Duffy also presented the results of the 2019 CARIS 1 benchmarking exercise. 2017 will be utilized as the benchmark year.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/7834030/04%202019%20CARIS%201%20Follow%20Up.pdf/16dfda73-09f5-952b-cf65-1abc7a85029f>

Cost Containment Metric for Transmission Project Evaluation in Public Policy Process

Yachi Lin of the NYISO presented the proposal to amend the Public Policy Transmission Planning Process in the OATT to establish the treatment of cost containment in the project proposal, evaluation and selection, and Development Agreement processes.

Ms. Lin explained the methodology that would be used to evaluate hard cap and soft cap options. Qualitative and quantitative aspects were discussed with stakeholders. Examples were provided to illustrate the results of each option.

Lorenzo Seirup of the NYISO presented the NYISO proposal to scale the difference between the cost cap and the SECO (consultant) estimate by the effectiveness of the percentage shareholder sharing of cost overruns in providing an incentive to developers to contain their costs. Mr. Seirup explained that in order for a cost containment proposal to be effective at containing costs, it should align a Developer's profit motive with the minimization of cost overruns. Several aspects of the economic variables were provided in examples and discussed with stakeholders to evaluate the effectiveness of the cost containment options by determining a break-even point. The NYISO proposes a minimum risk sharing of 20% to shareholders for NYISO to consider cost containment in selection process.

Carl Patka of the NYISO continued the discussion with an overview of the proposed tariff language.

Stakeholder feedback is encouraged and can be sent to PublicPolicyPlanningMailbox@nyiso.com. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/7834030/05%20Cost_Containment_Eval%20Proposal.pdf/a9b22f03-6129-63ac-0fe7-61a0c9c62e26

Wednesday, August 7, 2019

Business Issues Committee

Motion #1:

The Business Issues Committee ("BIC") hereby approves the revisions to the Installed Capacity Manual and Transmission and Dispatch Operations Manual as presented and discussed at the BIC meeting on August 7th, 2019; provided, however, that approval of the proposed revisions is contingent on acceptance of the proposal to implement new requirements for External Installed Capacity Suppliers in responding to a Supplemental Resource Evaluation, and the associated penalty, by the Federal Energy Regulatory Commission (FERC Docket No. ER19-2104-000).

The motion passed unanimously by show of hands with abstentions.

Wednesday, August 7, 2019

Operating Committee

Motion #1:

The Operating Committee ("OC") hereby approves the revisions to the Transmission and Dispatch Operations Manual as presented and discussed at the OC meeting on August 7th, 2019; provided, however, that approval of the proposed revisions is contingent on acceptance of the proposal to implement new requirements for External Installed Capacity Suppliers in responding to a Supplemental Resource Evaluation, and the associated penalty, by the Federal Energy Regulatory Commission (FERC Docket No. ER19-2104-000).

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The motion passed unanimously by show of hands with three abstentions

Motion #2a:

The Operating Committee (OC) hereby approves the Q#506 Empire State Connector System Reliability Impact Study (SRIS) report as presented and discussed at the August 7, 2019 OC meeting.

The motion passed unanimously by show of hands with an abstention

Motion #2b:

The Operating Committee (OC) hereby approves the Q#644 Columbia County 1 System Reliability Impact Study (SRIS) report as presented and discussed at the August 7, 2019 OC meeting.

The motion passed unanimously by show of hands with an abstention

Motion #2c:

The Operating Committee (OC) hereby approves the Q#737 Empire Wind System Reliability Impact Study (SRIS) report as presented and discussed at the August 7, 2019 OC meeting.

The motion passed unanimously by show of hands with two abstentions

Motion #2d:

The Operating Committee (OC) hereby approves the Q#738 Empire Wind II System Reliability Impact Study (SRIS) report as presented and discussed at the August 7, 2019 OC meeting.

The motion passed unanimously by show of hands with an abstention

Motion #2e:

The Operating Committee (OC) hereby approves the Q#746 Peconic River Energy Storage System Reliability Impact Study (SRIS) report as presented and discussed at the August 7, 2019 OC meeting.

The motion passed unanimously by show of hands with an abstention

Motion #2f: The Operating Committee (OC) hereby approves the Q#778 Gowanus Gas Repowering System Reliability Impact Study (SRIS) report as presented and discussed at the August 7, 2019 OC meeting.

The motion passed unanimously by show of hands with an abstention

Motion #2g:

The Operating Committee (OC) hereby approves the Q#791 Danskammer Energy Center System Reliability Impact Study (SRIS) report as presented and discussed at the August 7, 2019 OC meeting.

The motion passed unanimously by show of hands with an abstention

Thursday, August 8, 2019

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

Consumer Impact Analysis: External Capacity Performance & Obligations

Tariq Niazi of the NYISO presented the Consumer Impact Analysis of the External Capacity Performance and Obligations proposal. Mr. Niazi started his presentation by emphasizing that the NYISO does not expect a reduction in imports offered into NYISO capacity auctions as a result of better aligning external resource performance with internal resource performance. If there is a reduction in imports, it is only expected to occur in the ROS, as downstate clearing prices are anticipated to continue to incentivize imports into Localities. The cost impacts discussed below are based on a hypothetical reduction of some level of imports to the ROS.

Mr. Niazi summarized the NYISO's project and noted the two separate aspects of external capacity performance and obligations:

- External SRE Penalty (*Proposal Completed and Approved by Stakeholders*)
- External Capacity Deliverability and Eligibility (*On Going Effort*)

The cost analysis used the 2019 as found system as a base case, for both the short and long term consumer impact analysis and evaluated cost impacts based on potential capacity reductions of 100 MW, 200 MW and 300 MW. The short term analysis assumed no additional changes to generation. The long term cost impact methodology employed the 2019 as found system for the base case with a change to supply levels. The supply level is adjusted to reflect the historic excess defined as a percentage of excess above the requirements observed over the last three Capability Years. This supply level was used in each of the different Localities.

The results demonstrated a maximum short term capacity cost impact of \$79M as the reduction in capacity imports increases to 300 MW.

The long term capacity cost impact reflected no change to the market total as the supply was restored to the average 3-year historical level of excess.

Successfully aligning external resource performance with internal resource performance should positively impact maintaining system reliability, especially during critical operating periods.

No impacts are anticipated for transparency or the environment.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/7877817/CIA%20-%20External%20Capacity%20Performance%20and%20Obligations.pdf/55e5f35c-4b61-3eba-2584-a796a471dec1>

FERC Filings

August 8, 2019

NYISO filing of an Implementation Agreement (SA 2474) between NYISO and Astoria Generating Company regarding construction of an ultra-low sulfur diesel fuel oil system

August 7, 2019

Engineering, Procurement, and Construction Agreement (SA 2449) among the NYISO, Central Hudson Gas & Electric Corp., Niagara Mohawk Power Corporation d/b/a National Grid, Stony Creek Energy LLC, TBE Montgomery, LLC, and CPV Valley, LLC

August 2, 2019

NYISO answer to third parties comments and protests submitted in response to the NYISO's June 27, 2019 filing regarding Distributed Energy Resources and Aggregations (DER)

July 26, 2019

Niagara Mohawk Power Corporation ("NMPC") 205 filing of an engineering and procurement agreement (Service Agreement No. 2471) between NMPC and Invenergy Wind Development

FERC Orders

July 30, 2019

FERC order accepted revisions to implement modified requirements for external installed capacity suppliers

July 29, 2019

Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYSIO or the discussions that take place at the meetings.

FERC Order allowing the NYISO to discontinue formal filings of ICAP and DR reports

Filings and Orders:

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