NYISO Consumer Interest Liaison Weekly Summary

July 8 – July 12, 2019

Notices:

- ***Register*** *today for one of* ***NYISO's Market Training Courses*** *scheduled for the second half of 2019. This year's remaining courses are:*
  - *September 19, Market Overview*
  - *September 24-27, New York Market Orientation Course (NYMOC)*
  - *October 10, DSS Intermediate Workshop*
  - *October 22-25, NYISO Market Orientation (NYMOC)*
  - *December 10-13, NYISO Market Orientation (NYMOC)*

  Further information on these, and all of our courses, can be found in our online ***course catalog****.*

- *The* ***final*** *versions of* ***NYISO Reliability Analysis Data Manual (M-24)****, have been posted to the* ***Manuals, Technical Bulletins & Guides webpage*** *under Manuals.*

- ***Stakeholder comments on the NYISO Grid in Transition Whitepaper*** *have been posted at the link below.* ***Comments***

- *The NYISO posted the* ***Market Monitoring Unit's Assessment of the Buyer-side Mitigation Exemption Tests for the Class Year 2017 Projects*** *on July 11, 2019. The Report is posted* ***here*** *on the Market Monitoring page of the NYISO's public website.*

- *On July 11, 2019, NYISO filed an answer in response to comments regarding its Order No. 845 and 845-A interconnection procedures compliance filing. A copy of the is attached [****here****] for your use and is also available on the NYISO website at: http://go.pardot.com/e/302901/20Ordr2084520Cmplnc20Cmplt-pdf/d9ntv/139075763?h=R3-bS3KWEvBCjqHoJHZoiocm5N5LoAvp5_BnzMd1dFM.*

- *Please use the link below to access the NYISO's stakeholder summary for the upcoming week.* ***NYISO Stakeholder Summary***

Meeting Summaries:

Monday, July 8, 2019

Joint Installed Capacity Working Group/Transmission Planning Advisory Subcommittee

Study Reports under Consideration for Recommendation for OC Approval

Queue #678
Calverton Solar
Solar Generation
22.9 MW W/S
Suffolk County, NY
Recommended to the OC for approval

Queue # 695
South Fork Wind II
Offshore Wind Generation
136 MW W/S
Suffolk County, NY
Recommended to the OC for approval

Queue # 697
Ravenswood Energy Storage I
Battery Storage
129MW W/S
Long Island City, NY
Recommended to the OC for approval

Queue #698
Ravenswood Energy Storage II
Battery Storage
129 MW W/S
Long Island City, NY
Recommended to the OC for approval

Queue #699
Ravenswood Gas Project
CC Gas Generation
243.79 MW W 238.45 MW S
Long Island City, NY
Recommended to the OC for approval

Treatment of Renewable Exemption for Class Year 2019

Jonathan Newton presented a prepared statement to the TPAS/ICAPWG members:

"In October 2015, FERC ruled that it would be unjust and unreasonable for the NYISO to continue to mitigate intermittent renewable resources with low capacity factors that lack the incentive or ability to suppress capacity prices and directed the NYISO to create an exemption from mitigation for such

renewable resources. In April 2016, the NYISO submitted a compliance filing, in response to the Commission's 2015 order, revising its buyer-side mitigation capacity market power mitigation measures ("BSM Rules") to exempt certain narrowly defined renewable and self-supply resources from Offer Floor mitigation. The April 2016 Filing is still pending before the Commission.

Given that the NYISO anticipates potential wind and solar entrants in the soon-to-commence Class Year 2019, the NYISO will be filing a request in mid-July that the Commission issue an order accepting the pending compliance Filing as soon as possible. The NYISO will state in its filing that if the Commission does not act prior to the start of Class Year 2019, the NYISO will move forward and administer the exemption as proposed in the April 2016 Filing. The NYISO will also indicate that if FERC acts prior to one month before the completion of Class Year 2019 and modifies elements of the filed exemption, the NYISO anticipates being able to apply these modifications to Class Year 2019. If FERC does not act prior to one month prior to the end of the Class Year, the NYISO will plan to issue determinations based on the exemption proposed in the April 2016 filing. The NYISO will include in its July filing a request for conditional waiver that will request that these determinations be final, even in the event that the Commission subsequently modifies elements of the filed exemption.

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."
The statement on the Treatment of Renewable Exemption for Class Year 2019 has been posted to the ***NYISO website***.[1]

Class Year/Interconnection Queue Redesign
Ed Cano presented revisions to the Interconnection Queue redesign proposal based on stakeholder feedback. The NYISO has been working with stakeholders to improve and redesign the interconnection process for efficiency. The main tenets of the proposal are grouped into improvements to the Deliverability redesign and Class Year study efficiencies. The Deliverability redesign includes:

- *Require Deliverability Evaluation in the SRIS*
- *Remove Additional SDU Studies from the Rest of the Class Year Study*
- *Perform "Mini Deliverability Study" Outside the Class Year Process for CRIS-only projects*
- *More stringent CRIS Expiration Rules*

The Class Year study efficiencies include:

- *Frontload Class Year Study Work in Part 1 Studies*
- *Eliminate Duplication in SRIS and Class Year Studies*
- *Require Project Data Earlier in Class Year Process*
- *Revise & Clarify Regulatory Milestone Requirements*
- *Expand Definition of Class Year Transmission Project*

The concept to expand the definition of Class Year Transmission Project is a recent addition resulting from discussion with stakeholders. The benefit of this revision would be to align the definition of a Class Year Transmission Project with the previous definition of a Merchant Transmission Project that did not limit Class Year entry to transmission projects based on their CRIS eligibility.

[1] As a reminder, a MyNYISO account is required to view TPAS materials.

To assist in clarifying the timeline options for the complex issue of System Deliverability Upgrades (SDU) and System Upgrade Facilities (SUF) stakeholders requested that the NYISO develop a decision tree, or flow chart diagram to illustrate the several steps and choices that a developer encounters. The NYISO noted the comment for consideration.
Mr. Cano presented the updated proposal and noted additional comments as the NYISO continues to refine the proposal.
To see the complete presentation, please go to:
https://www.nyiso.com/documents/20142/7454807/08_Class%20Year%20Redesign%200070819_TPAS_ICAPWG_Draft%20062619.pdf/1223476c-665b-7a16-7a70-e4515fa7a5eb

Wednesday, July 10, 2019

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

Energy Storage Resources: ICAP Manual Changes

Sarah Carkner of the NYISO presented updates to the Installed Capacity (ICAP) Manual and Attachments to reflect the proposed changes that are necessary to administer the proposed tariff revisions for Energy Storage Resources (ESR), filed in December 2018.
Ms. Carkner noted several minor changes made in the manual language to be inclusive to ESRs.
The calculation of the amount of Unforced Capacity each ESR may supply to the NYCA was discussed with stakeholders. Ms. Carkner explained that the default derating factor for ESRs will be the NERC class average of Pumped Hydro, until there are three or more ESRs in the NYISO Capacity market. Once there are three or more ESRs in the NYISO Capacity market for a total of 17 months, the default derating factor will be the NYISO class average for ESRs. Stakeholders responded with potential resource entry and timing scenarios for clarification and the NYISO committed to returning to a future ICAPWG with examples of derate factor timing and development.
The NYISO is seeking stakeholder feedback on the draft ICAP Manual revisions posted with the ICAPWG/MIWG meeting materials and will return to a future ICAPWG/MIWG to continue discussions on the ICAP Manual and Attachment revisions.
To see the complete presentation, please go to: https://www.nyiso.com/icapwg?meetingDate=2019-07-10

More Granular Operating Reserves

Ashley Ferrer of the NYISO presented the proposal to consider establishing operating reserves requirements for certain load pockets within New York City (NYC).
Load pockets are constrained areas within NYC which are impacted by load levels and generation capability within the pocket, as well as transmission-supported import levels into the pocket. The increasing reliance on weather-dependent renewable resources can potentially lead to more dynamic net load (and increased load variability/uncertainty) within load pockets, which will require that sufficient resources are available to respond to potentially rapid and unanticipated changes in load. The NYISO is exploring the possibility of establishing load pocket reserve requirements to address certain NYC load pocket Local Reliability Rules (LRRs).
Responding to a stakeholder question on the differences between the recently implemented Zone J reserve region and the load pocket reserve requirements being considered, Ms. Ferrer explained that the recently implemented Zone J reserve project was in response to NYCA reliability requirements, whereas load pocket reserves are intended to support reliability requirements for local needs within NYC.

Ms. Ferrer presented the areas that the NYISO will analyze and discuss with stakeholders throughout the development of potential reserve requirements for certain NYC load pockets. The three main areas of discussion will center on:

- Reserve regions and associated requirements:
  - *Identify load pockets to target for potential reserve regions within NYC*
  - *Determine appropriate quantity of reserves to be procured in each identified load pocket*
  - *Determine appropriate reserve demand curve values for load pocket reserve requirements*
- Cost allocation
  - *The development of load pocket reserves for local reliability would differ from NYISO's existing reserves regions in which costs are allocated statewide because the existing reserve requirements are designed for maintaining reliability throughout the NYCA*
  - *Unlike the allocation of current reserve procurement costs, the cost to commit generators for local reliability needs in NYC are currently allocated only to the local transmission owner*
  - *NYISO will evaluate how to structure the cost allocation of reserves procurements to properly account for the costs of procuring certain reserves that address local reliability needs*
- Market Mitigation
  - *NYISO will evaluate existing market mitigation measures for reliability commitments in NYC and determine if additional measures will be required*

In response to a stakeholder comment about the need for determining the impacts to consumers Ms. Ferrer noted that a Consumer Impact Analysis will be presented to stakeholders prior to governance action.

To see the complete presentation, please go to:
https://www.nyiso.com/documents/20142/7503488/More%20Granular%20Operating%20Reserves%20-%20MIWG%20071019.pdf/39f577ad-7295-2e36-2aa0-7fe870de0bca

Ancillary Services Shortage Pricing

Pallavi Jain of the NYISO presented the effort to evaluate the NYISO's current Ancillary Services shortage pricing values, considering the implications of the grid of the future and the payment incentives in neighboring markets. The project was initially proposed as a "Study Complete" for 2019 but due to the anticipated benefits of this effort, the NYISO is proposing to accelerate this project to "Market Design Complete" by the end of 2019. Ancillary Services are expected to become more important with the increases in weather dependent generation. Shortage pricing assists in providing incentives for resource flexibility, responsiveness and availability to support grid reliability.

Ms. Jain led a review of the existing Ancillary Service Demand Curves throughout the NYCA, highlighting the zones and interdependencies.

An overview of shortage pricing and capacity market performance incentives in neighboring ISOs/RTOs was provided for insight into different approaches. PJM and ISO-NE have introduced capacity market performance incentives that are designed to financially reward resource performance during critical operating periods.

The NYISO will perform analysis on several aspects of Ancillary Services shortage pricing including:

- Commitment costs of units needed to serve load under strained system conditions
- Cost of out-of-market (OOM) actions
- Neighboring markets shortage pricing levels

Discussion with stakeholders will continue into the fall prior to the NYISO seeking governance approval on potential revisions in November 2019. To see the complete presentation, please go to: https://www.nyiso.com/documents/20142/7503488/Ancillary%20Services%20Shortage%20Pricing_07_10_2019_MIWG_final.pdf/e43185d7-f957-1097-a701-d5c9bf99fb69

Thursday, July 11, 2019
System Operation Advisory Subcommittee
NYISO Operations Report – June 2019
Peak Load
The peak load for the month was 27,190 MW which occurred on Friday, June 28, 2019, HB16.
Reserve requirements were as follows:

Reserve	10 Sync	Non-Sync	30 Min
Requirement	655	1,310	1,965
For Hour	1,342	2,312	3,810
DSASP Cont.	66	0	66

Major Emergencies -- None
Alert States -- Alert State was declared on 23 occasions:
1 – ACE Greater than (+or-) 500MW
1 – System Frequency 1 Low 0 High
2 – Exceeding Central East Voltage Contingency Limit
19 – Emergency Transfer Declared
Alert state was declared 7 times during June of 2018
Thunder Storm Alerts
3 TSA were declared in June 2019 for a total of 11.48 hours
Reserve Activations – 10
There were 11 Reserve Activations during June of 2018
Emergency Actions None
TLR3 Declared – 1 for a total of 3 hours

FERC Filings
July 11, 2019
NYISO answer to comments concerning its May 22, 2019, Order No. 845 compliance filing - Interconnection Procedures

FERC Orders
There were no FERC Orders issued to NYISO for this week.

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