

NYISO Consumer Interest Liaison Weekly Summary

March 18 – March 22, 2019

Notices:

- The **final** version of the ***NYISO Credit Management System User's Guide [UG-13]*** has been posted to the **[NYISO Manuals, Technical Bulletins, and Guides webpage](#)** under Guides. The Credit Management User's Guide has been updated to reflect the following:
 - Updated URL's, location names, and screen displays resulting from NYISO public website redesign
 - Updated verbiage for Section II form as it is now referred to as Section F form for Credit Contact Changes

Meeting Summaries:

Monday, March 18, 2019

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

DER Energy Market Design DR Cost Allocation

Michael Lavillotti of the NYISO presented proposed tariff revisions to the Open Access Transmission Tariff (OATT) to reflect changes in the transition from the Day Ahead Demand Response Program (DADRP) to Demand Response (DR) in the Distributed Energy Resource (DER) program. Mr. Lavillotti highlighted edits to OATT Section 24 including:

- Terminology
- Economic Customer Baseline Load (ECBL)
 - Updated methodology for selecting the intervals used for calculating the ECBL in some instances
- Regulation Response
 - New methodology added for calculating the Baseline Load during an interval in which there was Regulation response by the DER

The next step in the DER process is to review topics and tariff edits not discussed in this presentation for refinement.

Feedback can be sent to DER_Feedback@NYISO.com.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/5517061/DER%20Energy%20Market%20Design%20Demand%20Response%20Cost%20Allocation%2003182019.pdf/394b4bf7-5e27-9c32-95b1-aef8018f8903>

External SRE Penalty Proposal

Amanda Carney of the NYISO presented the updated proposal to incorporate a penalty in the External SRE (Supplemental Resource Evaluation) process. The goal of this proposal is to increase comparability of the rules for Internal and External capacity suppliers.

Ms. Carney led a review of the proposed External capacity call requirements and the calculation to be used in assessing a penalty for non-performance. Exemptions from the penalty were provided for instances where failure to deliver the required energy would fall beyond the control of the supplier. An update allows for exemption from the penalty where the resource fails to fully or partially deliver due to a transmission limitation. The update notes that failure to secure the necessary transmission service, including failure to agree to pay congestion costs, will not be excused. A stakeholder noted that monthly verification of the firm transmission service by the NYISO should be considered in the final market design.

In response to a stakeholder question, Ms. Carney noted that a timeline for implementation of this rule change has not been fully determined at this point, but acknowledged the importance of establishing an implementation date in the near future, prior to seeking stakeholder approval. Another stakeholder requested that NYISO Stakeholder Services initiate a process to update necessary Market Participant contact information for proper communication of SRE calls.

Tariff revisions to MST sections 4.1.8, 5.12.1.10, and 5.12.12.2 to reflect this proposal were posted with the meeting materials for stakeholder review. Comments can be sent to deckels@nyiso.com and/or acarney@nyiso.com. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/5517061/External%20SRE%20Penalty%20Proposal.pdf/adf5101a-5d10-382c-d151-1d96259a0451>

Expanding Capacity Eligibility: NYISO Operation's Experience

Aaron Markham of the NYISO provided a review of the NYISO Operations experience operating the bulk power system on peak days in relation to the market design proposal to expand capacity eligibility for resources with energy duration limitations. Mr. Markham highlighted several variables and actions that can occur on days where load approaches peak conditions.

Examples of conditions on a peak load day featuring varying contingencies and operator actions were provided to illustrate the potential impact of limited duration resources that Grid Operations will need to consider to maintain reliability.

NYISO Operations has provided input and review on the critical components of the DER market design proposal and concluded that:

- Peak Load Window
 - *Aligns well with NYISO Operations experience*
- Capacity Value Study
 - *Both the GE approach and the MMU approach are consistent with how NYISO Operations expects to deploy these resources*
- Resource Obligations
 - *The combined testing, measurement, and verification rules along with the bidding obligations will help ensure these resources provide reliability value*
- Tiered Approach

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 NYISO or the discussions that take place at the meetings.

- *Recognizes that as the number of short duration resources increases substantially (1000 MW is a reasonable threshold), the value they bring to meet reliability changes*
- Periodic Review
 - *Is necessary to keep the capacity values aligned with the reliability value as the system changes*

Based on its review, NYISO Operations supports the comprehensive package of market design changes which provides the NYISO the ability to maintain reliability.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/5517061/DER%20Capacity%20-%20Ops%20Presentation_Final_031819.pdf/e3386107-ae91-ab67-c4d0-2a2d96aba1be

Tuesday, March 19, 2019

Electric System Planning Working Group

2019-2028 CRP: Peaker Scenario -- Assessing DEC's Draft NOx Limits Rule for Simple Cycle and Regenerative Combustion Turbines ('Peaker Rule')

Kevin DePugh of the NYISO presented the background on assessing the impact of the Department of Environmental Conservation's (DEC's) draft NOx limits rule for simple cycle and regenerative combustion turbines, referred to as the Peaker Rule. The draft regulation proposes new NOx emission limits for Peaking Units during the summer ozone season:

- By May 1, 2023, Peaking Units would have to achieve 100 ppm NOx
- By May 1, 2025, Peaking Units would have to achieve 25 ppm NOx for gaseous fuels and 42 ppm NOx for oil or other liquid fuel

Mr. DePugh provided a chart to illustrate the timing of the limit changes in relation to the amount of capacity available from units impacted by the limits in 2023 and 2025, totaling approximately 3,300 MW of nameplate generation. The major assumptions for the 2018-2019 Reliability Planning Process (RPP) were provided to reflect the changes from the 2018 Reliability Needs Assessment (RNA) to the Comprehensive Reliability Planning (CRP) base case.

Laura Popa of the NYISO continued the presentation with results of the Resource Adequacy study for the 2019-2028 CRP, and also for the Peaker Rule scenario. The results for two variations of the peaker scenario were also provided:

- CRP base case
- Peaker Scenario
- Peaker Scenario + AC Transmission (Jan 2024)
- Peaker Case + ConEd and LIPA's Transmission Security Compensatory MW addition (tested 640/620 MW)

Ms. Popa provided the Loss of Load Expectation (LOLE) results of the study and also examples of various zonal compensatory MW combinations that can bring the NYCA LOLE below its 0.1 days/year criterion. Transmission security results were presented by representatives of Consolidated Edison and PSEG-LI (non-Bulk Power Transmission Facility (BPTF) transmission) as well as the NYISO (BPTF). The needs observed in the transmission security assessment included both an observed MW deficiency as well as an estimate of duration of hours that the deficiency could be observed during peak periods for the load area. The needs could potentially be met by combinations of solutions including generation, transmission, and load reduction (energy efficiency, demand response, etc.) measures; however, due to the resource adequacy need, local transmission alone cannot fully resolve the BPTF and non-BPTF needs.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/5552484/2018CRP_NYISO_PeakerScenario_pptMarch19E_SPWG.pdf/871cdd4d-963a-4a81-38f6-f60a063b1d21

FERC Filings

March 21, 2019

NYISO 205 filing on behalf of Niagara Mohawk Power Corporation of a cost reimbursement agreement (SA No. 2447) between Niagara Mohawk and Greenway Conservancy for the Hudson River Valley

FERC Orders

March 21, 2019

FERC order accepted NYISO's RMR-related compliance filing to the April 23, 2018 Order, subject to condition, effective July 23, 2018, as requested and directed NYISO to submit a further compliance filing

Filings and Orders:

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