

NYISO Consumer Interest Liaison Weekly Summary

November 18 – November 22, 2019

Notices:

- *At the September 10, 2019 ICAPWG/MIWG meeting, the NYISO described a number of in-series line segments that it was removing from the list of facilities secured in the market models. Please see the following [presentation](#) for background.
Based on recent and anticipated grid conditions, the NYISO is making one update to the modifications described in that presentation, and subsequently implemented on 9/24/2019. Specifically, the segment of the Mortimer-Station122 25 transmission line that will be secured in the market will be the MORTIMER_STA56__115_25 facility. The PANNELRG-STA_56__115_25 facility will no longer be secured in the market. This facility will be modeled with a 10 MW CRM value. The NYISO's [CRM Posting](#), as well as [Attachment A](#) of the Outage Scheduling manual, will also be updated accordingly.*
- *With another winter season rapidly approaching, the NYISO announced on November 21, 2019 that New York's electric system has enough capacity to meet forecasted demand for electricity and maintain necessary operating reserves during cold weather conditions through the 2019-20 winter season. "Cold weather conditions over the past few winters have allowed the NYISO, the state and generators to improve coordination in order to maintain reliability," said Wes Yeomans, VP of Operations for the NYISO. "This year's peak demand forecast is slightly lower than last winter and we anticipate having adequate supply throughout the 2019-20 winter." [View more](#)*
- *An updated "Competitive Entry Exemption Proposals" presentation has been posted under the November 20, 2019 Management Committee meeting material [here](#).*
- *The NYISO is updating its assumption of initial Lake Erie Circulation (LEC) used by its Real-time Commitment software (RTC). To improve the efficiency of the Energy Market, the RTC logic will be updated to adjust any observed LEC that is less than 100 MW clockwise (including any observed counter-clockwise circulation) to 100 MW clockwise to initialize each evaluation.*

Meeting Summaries:

Monday, October 28, 2019

Electric System Planning Working Group

Local Transmission Plans

Certain Transmission Owners (TOs) presented their Local Transmission Plans (LTP) for their respective look-ahead periods. As a general practice, TOs on an annual basis provide insight into the issues they are confronting and the projects that will address those issues. The following TOs presented their LTPs at this meeting:

- New York Power Authority
- Consolidated Edison
- New York State Electric and Gas w/ Rochester Gas and Electric
- Orange and Rockland Gas and Electric
- National Grid

Each TO identified the standards used to evaluate and classify projects and provided the status of all current and future projects. To see the complete presentation of each TO, please go to:

<https://www.nyiso.com/espwg>

Key Deactivation Study Assumptions for: Hudson Ave 3 IIFO

Keith Burrell of the NYISO provided the key study assumptions that will be used in the deactivation study for the Hudson Ave. 3 ICAP Ineligible Forced Outage. Hudson Ave 3 is a 16.3 MW nameplate generator in Zone J. The NYISO will use the most recent base case from the reliability planning process used for the 2019-2028 Comprehensive Reliability Plan (CRP) with some minor updates, (included in an appendix supplied with the presentation materials).

As part of the deactivation study, the NYISO will perform the assessment of the Bulk Power Transmission Facilities (BPTF), while Con Edison will perform the assessment of the non-BPTF. The Generator Deactivation Assessment will be completed by January 30, 2020. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/9274414/03%20Hudson3_KeyAssumptions.pdf/cbb10853-df59-7974-3954-1549f4c21537

Short-Term Reliability Process & Other Proposed Reliability Planning Process Tariff Language Changes

Keith Burrell of the NYISO presented updates to the Short-Term Reliability Process (STRP) proposal. Mr. Burrell summarized the process and highlighted the changes made since the prior stakeholder discussion. Stakeholder comments were noted for additional review.

Mr. Burrell noted the title change of the presentation based on stakeholder feedback. Stakeholders agreed that the revised title was more indicative of the entire proposal.

Proposed revisions to the Generator registration requirements were also discussed with stakeholders. Changes will incorporate the proposed 1 MW de minimis exclusion and the exclusion of Generators that participate in an Aggregation from the outage state rules in Section 5.18 of the Services Tariff. Additional changes will address NYISO's needs for administering the application of the STRP to Generators that participate in Aggregations.

A revised timetable for the implementation of the proposed STRP update was provided indicating that the first Short-Term Assessment of Reliability (STAR) could commence July 15, 2020 if the proposal

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were approved by stakeholders, the NYISO Board of Directors and FERC with a May 1, 2020 effective date for the proposed tariff revisions.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/9274414/04%20STRP%20and%20Other%20Revisions.pdf/990ad146-220b-0abd-d3c4-5026b2eeda99>

Review of FERC Section 206 Exception for Immediate Need Reliability Projects

Keith Burrell of the NYISO updated stakeholders on a FERC Section 206 proceeding that considers the implementation by certain ISOs/RTOs of the exemption for immediate need reliability projects that the Commission permitted to Order No. 1000's requirement to eliminate provisions in Commission-jurisdictional tariffs and agreements that establish a federal right of first refusal for an incumbent transmission developer with respect to transmission facilities selected in a regional transmission plan for purposes of cost allocation. Mr. Burrell clarified that although the NYISO is not subject to the Section 206 proceeding, the NYISO considered it prudent to review the proceeding in response to questions received from stakeholders.

Mr. Burrell identified the five criteria bounding an ISO/RTO's Use of Near-Term Reliability Need Exemption as determined by FERC:

- 1. The project must be needed in three years or less to solve reliability criteria violations*
- 2. The Responding RTO must separately identify and then post an explanation of the reliability violations and system conditions in advance for which there is a time-sensitive need, with sufficient detail of the need and time-sensitivity*
- 3. The Responding RTO must provide to stakeholders and post on its website a full and supported written description explaining: (1) the decision to designate an incumbent transmission owner as the entity responsible for construction and ownership of the project, including an explanation of other transmission or non-transmission options that the region considered; and (2) the circumstances that generated the immediate reliability need and why that need was not identified earlier*
- 4. Stakeholders must be permitted time to provide comments in response to the project description, and such comments must be made publicly available*
- 5. The Responding RTO must maintain and post a list of prior year designations of all immediate need reliability projects for which the incumbent transmission owner was designated as the entity responsible for construction and ownership of the project. The list must include the project's need-by date and the date the incumbent transmission owner actually energized the project. The Responding RTO must also file the list with the Commission as an informational filing in January of each calendar year covering the designations of the prior calendar year*

Mr. Burrell led a review of the NYISO rules that demonstrate compliance with FERC-identified criteria.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/9274414/05%20FERC_206.pdf/443d5eaf-4030-8392-f00c-68d614f948bd

Reliability Planning Process (RPP) Manual Updates

Laura Popa of the NYISO provided an opportunity for stakeholders to review and provide feedback on revisions to the RPP Manual. Ms. Popa highlighted changes made to the manual since the previous discussion at the November 4, 2019 ESPWG/TPAS meeting. A representative from NYISO Market

Monitoring and Analysis was available to address stakeholder questions on changes to the economic withholding review process.

The RPP Manual will be posted to the NYISO website for stakeholder review by November 27, 2019, prior to seeking approval of the manual changes at the December 12, 2019 OC meeting.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/9274414/06%20RPP%20Manual%20Presentation.pdf/8ef31ddd-485f-76f1-ad07-a4a88c383194>

2019 CARIS 1 Preliminary Scenario Results (High/Low Gas Prices and Loads)

Chen Yung of the NYISO presented additional results of certain CARIS Phase 1 scenarios (i.e., Low and High Gas Prices and Low and High Loads).

Mr. Yung provided charts to illustrate the results of the scenarios with regard to the changes in Demand Congestion by Zone and by constraint. NYCA wide production cost savings were also provided.

Mr. Yung explained that the NYISO continues to make progress on the “70X30” scenario and is currently working to resolve the transmission constraints resulting from the changes to the generation mix assumed in the scenario.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/9274414/08%202019CARIS1_Preliminary_Scenario.pdf/2a7a3da1-e7f2-577e-fc59-7ef24dc2d270

2019 CARIS Primary and Additional Metrics

Chen Yung of the NYISO presented primary and additional metrics for the 2019 CARIS Phase 1 assessment. Mr. Yung provided production cost savings for the period of 2019-2028 using Generation, Transmission, Demand Response and Energy Efficiency. To reflect the anticipated changes following completion of the upgrades in response to the AC Transmission Public Policy Transmission Need, the ten-year values were divided into two periods, 2019-2023 and 2024-2028. Mr. Yung explained the components used to determine the total cost of the Energy Efficiency solutions.

The Benefit/Cost ratios were also provided based upon 10 years of projected NYCA-wide Production Cost Savings (the primary CARIS Phase 1 metric) compared to the estimated 10 years of project costs. Low, high and mid-range costs were reported to demonstrate the range of potential Benefit/Cost ratios. Additional metrics were reported, including:

- *LBMP Load Costs*
- *Generator Payments*
- *Reduction in Losses*
- *TCC Payments*
- *Emission Costs*

Capacity costs for the generic solutions were also included in the analysis. Costs were reported for each capacity region by generic solution.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/9274414/07%202019CARIS1_Solutions_Primary_Additional_Metrics.pdf/4454236b-58ee-23c9-eb16-8f1d7c1d6f5d

Wednesday, November 20, 2019

Management Committee

Motion #1:

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The Management Committee (MC) hereby approves the revisions to the Market Administration and Control Area Services Tariff and Open Access Transmission Tariff as described in the tariff revisions accompanying the presentation entitled “Class Year/Interconnection Queue Redesign,” made at the November 20, 2019 MC meeting, including modifications to tariff revisions discussed at that meeting, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion passed unanimously by show of hands.

Motion #2:

The Management Committee (MC) hereby approves the revisions to the Market Administration and Control Area Services Tariff as described in the tariff revisions accompanying the presentation entitled “Competitive Entry Exemption Proposals for Additional CRIS and the Non-Qualifying Contract Rule Change,” made at the November 20, 2019 MC meeting, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion passed unanimously by show of hands.

Wednesday, November 20, 2019

Bylaws Subcommittee

Alan Ackerman of Customized Energy Solutions led a discussion on the proposal to revise the Committee Bylaws concerning public participation at the NYISO governance meetings. The rules currently allow the public (non-committee members) to attend Management Committee (MC) meetings in person. There is a request to allow members of the public to attend MC meetings by telephone in instances where the MC is teleconference only. The request also extends to allowing the public to attend working group and task force meetings Stakeholder input was noted for consideration at a future meeting of the Bylaws Subcommittee meeting, currently anticipated to occur in January 2020.

To see Mr. Ackerman’s complete presentation, please go to:

<https://www.nyiso.com/documents/20142/9329937/NYISO%20Committee%20Bylaws%20Participation%20Rules.pdf/906674f8-c9ba-4902-5d83-a6142509b2f9>

Thursday, November 21, 2019

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

Enhanced Fast Start Pricing –Tariff

Zachary T. Smith of the NYISO informed stakeholders that the tariff language for the enhanced fast start pricing proposal is available for stakeholder review at <https://www.nyiso.com/icapwg>.

Tailored Availability Metric

Emily Conway of the NYISO continued the discussion of the Tailored Availability Metric proposal. The purpose of the presentation was to discuss the Market Design Concept Proposal for all performance-based resources.

The NYISO is proposing a reoccurring study for wind and solar resources. The study will run concurrently with the capacity value study for duration-limited capacity suppliers and will be conducted every four years. The relative capacity value weightings will be shaped across the Peak Load Window hours with a subset of Peak Load Window hours weighted higher than the remaining hours. Summer and Winter Capability Period months will receive the same set of weightings, within its

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respective Peak Load Window hours. In response to a stakeholder, Ms. Conway noted that the NYISO has not developed the specific weighting values at this point. The relative capacity value weightings established as a part of the Market Design Complete phase of the initiative will align with the Peak Load Windows proposed in the Expanding Capacity Eligibility project.

At this time, the NYISO is proposing no changes to the existing methodology used to measure availability of Limited Control Run of River Hydro resources. Also at this time, the NYISO is proposing no additional changes to the existing methodology used to value SCRs beyond the changes proposed in the Expanding Capacity Eligibility project. A stakeholder requested that the NYISO consider analysis comparing SCR performance during actual event versus performance during tests. It was also noted that the NYISO should consider the differences in solar resource performance for June versus July and August.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/9312827/Tailored%20Availability%20Metric.pdf/c4271e59-b0e0-7c0a-c2f9-15cc91bbb2ef>

Enhancing Fuel and Energy Security Management Response

Wes Yeomans of the NYISO presented the management response to the Analysis Group (AG) “*Enhancing Fuel and Energy Security Study*” report. The study report identifies a number of options for the NYISO and stakeholders to consider.

Mr. Yeomans noted several steps the NYISO currently monitors in reference to fuel and energy security:

- *Fuel Inventory*
- *Renewable entry into the market*
- *Generator outages due to lack of fuel*
- *Gas pipeline constraints/contingencies*
- *Retirements of dual-fuel generators or reduction in alternate fuel capability*
- *Status of pending transmission upgrades*

A stakeholder suggested that the NYISO begin to develop potential output data and production profiles for offshore wind to gain an understanding of the correlation to onshore wind production characteristics. Mr. Yeomans noted the comment for consideration.

Mr. Yeomans highlighted three areas the NYISO will evaluate for fuel and energy security monitoring enhancements.

The internal NYISO Fuel Inventory process could be enhanced to project whether sufficient fuel supplies exist to meet system needs out 14 days. The NYISO is also assessing the potential to include some form of fuel security assessment as part of the annual Winter Assessment that is reviewed with stakeholders in advance of each winter period.

The NYISO will continue to monitor the retirements of dual-fuel generators and reductions in alternate fuel capability. The NYISO is also evaluating the potential for establishing potential “triggering” thresholds that would indicate a need to engage further with stakeholders on potential market enhancements and/or refreshing the fuel and energy security assessment.

The NYISO will also consider future updates to refresh the fuel and energy security study results to capture changes in system conditions over time. Consideration will be given to the frequency of updates to the study.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/9312827/Fuel%20Security%20Study%20Management%20Response%20Presentation.pdf/ae6c7107-dc37-da8f-9f21-b74a1dd81203>

Q3 State of the Market Report

Pallas LeeVanSchaick of Potomac Economics (MMU) presented a review of the Q3 State of the Market (SOM) report. Each quarter the MMU reports market highlights and issues to stakeholders. Mr. LeeVanSchaick highlighted congestion in the West Zone for discussion. It was noted that the recent implementation of the 115 kV modeling revisions were performing as expected, resulting in slightly higher LBMPs with less Out-of-Market actions required. When asked by a stakeholder if the Western New York Public Policy Transmission Need solution will assist in relieving congestion in the West Zone, Mr. LeeVanSchaick opined that the MMU expects the new transmission would be likely to reduce congestion.

Mr. LeeVanSchaick also highlighted the implementation of the NYC reserve requirement with a review of the NYC reserve pricing since implementation in late June 2019.

The presentation contained a review of general market outcomes with a determination that the NYISO energy markets performed competitively in the third quarter of 2019.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/9312827/NYISO%20Quarterly%20Report_2019-Q3_11-15-2019.pdf/5a7c71d7-7af8-f0c7-2802-903d9cebdca8

Constraint Specific Transmission Shortage Pricing

Kanchan Upadhyay of the NYISO presented additional analysis on the Constraint Specific Transmission Shortage Pricing proposal. In response to stakeholder requests, Ms. Upadhyay provided further analysis of the historic constraint costs associated with base case (pre-contingency) and post-contingency constraints.

The analysis uses historic data for RTD binding constraints from July 2017 through February 2018. Analysis performed includes a shadow price comparison across non-zero value CRM facilities using two distinct datasets:

1. Dataset 1: Limited to facilities that had both binding base case and post-contingency constraints during the evaluation period.
2. Dataset 2: Includes all facilities that had either or both base case and post-contingency constraints during the evaluation period.

The analysis shows that prices across base case and post- contingency constraints are substantially similar and do not, at this time, support the need to differentiate transmission shortage pricing values by constraint type.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/9312827/Constraint%20Specific%20Transmission%20Shortage%20Pricing%20_MIWG_Nov%2021%202019.pdf/37b1a0b2-558a-07d9-061b-5547ac943e34

Informational LCR Results

Dr. Nathaniel Gilbraith of the NYISO presented an update to the preliminary Locational Minimum Installed Capacity Requirement (LCR) results. The updates to the LCRs is the result of revisions to the ongoing Installed Reserve Margin (IRM) study assumptions for the 2020/2021 Capability Year. The informational 2020/2021 LCRs are shown below with the corresponding 2019/2020 LCRs for comparison:

<u>Location</u>	<u>2019/2020 LCR</u>	<u>2020/2021 Informational LCR</u>
NYCA	117% (IRM)	119%
G-J	92.3%	90.6%
J (NYC)	82.8%	86.9%
K (LI)	104.1%	103.3%*

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*The Transmission Security Limit for Long Island was binding.

The preliminary LCRs will be updated again in late December when the final Transmission Security Limits are determined. The final LCR values for the 2020/2021 Capability Year will be presented to the OC in January, 2020.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/9312827/ICAPWG_FBC_LCRs_03.pdf/5e09a0eb-3826-b1cf-6e72-5453d2c8c8ad

Proposed Changes to the ICAP Demand Curve Collar

Michael Cadwalader of Atlantic Economics presented the New York Transmission Owners (NYTOs) proposal to make the ICAP Demand Curve annual update reference point collaring mechanism (collar) permanent and more dynamic than the current transitional collar. The collar was developed during the 2016 ICAP Demand Curve reset (DCR) process to apply a transitional mechanism that would limit changes to the monthly reference point (MRP) values resulting from annual updates. The collar was proposed and accepted as a transitional mechanism due to the change in DCR periodicity from three years to four years and the implementation of the new annual update process. The collar sunsets after the recently completed annual updates to determine the ICAP Demand Curves for the 2020/2021 Capability Year.

The NYTOs' proposal would make the collar permanent and applicable to all future annual updates. The proposal would allow the dynamic collar value to widen in the year following an instance where the MRP values resulting from an annual update are bound by the collar. Examples of the NYTOs' proposed collar were provided.

Certain stakeholders expressed opposition to the NYTOs' proposal on the basis that the original collar was enacted solely as a transitional mechanism. They suggested that continuation of the collar would distort correct price signals to developers.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/9312827/Proposed%20Changes%20to%20the%20ICDC%20Collar.pdf/b833cb05-8414-9979-f820-cf70f8f1720d>

FERC Filings

There were no filings submitted to FERC for this week.

FERC Orders

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

Filings and Orders:

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